



# ***Daily Report***

## **China**

FBIS-CHI-91-231  
Monday  
2 December 1991

# Daily Report

## China

FBIS-CHI-91-231

### CONTENTS

2 December 1991

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

UN Official on Intellectual Property Protection [XINHUA] .....	1
Views Progress [XINHUA] .....	1
UN Concerned Over Attack on Khieu Samphan [XINHUA] .....	1
Security Council Adopts Resolution on Yugoslavia [XINHUA] .....	2
'News Analysis' Views U.S. Aid to USSR [XINHUA] .....	2
Leaders Support Bid To Host Olympics in 2000 [XINHUA] .....	3
Academic Body Views Prospects for World Economy [RENMIN RIBAO 25 Nov] .....	3

##### United States & Canada

Reaction to Joint-U.S. Trade Talks Continues .....	4
Minister Views Congress' Stance [Hong Kong TA KUNG PAO 1 Dec] .....	4
Article Assesses Responsibility [Hong Kong WEN WEI PO 1 Dec] .....	4
'Special Article' Views Talks [Hong Kong TA KUNG PAO 29 Nov] .....	5
Journal on New CPC Policy Toward United States [Hong Kong CHENG MING 1 Dec] .....	6
Further Reportage on Governors' U.S. Tour .....	10
Guo Shuyan Meets Ohio Governor [Wuhan Radio] .....	10
Consul General Assesses Visit [XINHUA] .....	10

##### Northeast Asia

Vice Premier Tian Jiyun Arrives in Tokyo [XINHUA] .....	10
Conference on Exchanges With Japan Closes [XINHUA] .....	11
Li Ruihuan Meets Participants [XINHUA] .....	11
Japan To Consider Emperor Visit 'Next Autumn' [XINHUA] .....	11
DPRK Army Minister Visits Guilin 27-30 November [Guangxi Radio] .....	11
Commentary on Recent DPRK Nuclear Initiative [RENMIN RIBAO 1 Dec] .....	12

##### Southeast Asia & Pacific

Diplomat: Qian Qichen Visit to Cambodia Postponed [AFP] .....	12
Preparations Set for New Cambodia Representative [ZHONGGUO TONGXUN SHE] .....	13
Meets Sihanouk [XINHUA] .....	13
Sihanouk Confident of Phattaya Meeting Success [XINHUA] .....	13
Arrives in Phatthaya [XINHUA] .....	13
Discusses SNC Security Measures [Beijing International] .....	14

##### Near East & South Asia

Jiang Zemin Meets Indian Delegation, Views Ties [XINHUA] .....	14
Tunisian President Announces Intention To Boost Ties [XINHUA] .....	15
Tunisian Official on Restoring Palestinian Rights [XINHUA] .....	15
Arrives, Meets Li Peng [XINHUA] .....	15
Diplomat Expresses Support for Palestinian People [XINHUA] .....	16

##### West Europe

Qian Qichen Meets Visiting Cypriot Minister [XINHUA] .....	16
--	----



UK Minister Gets 'Partial Reply' on Prisoners [Hong Kong SOUTH CHINA MORNING POST 30 Nov] .....	16
Leaves Beijing For Other Cities [XINHUA] .....	17

### Latin America & Caribbean

Qian Qichen Seeks Uruguayan Support on GATT [CHINA DAILY 29 Nov] .....	17
Colombian Minister Meets Public Security Group [XINHUA] .....	17
Argentine Foreign Ministry Secretary Visits Tianjin [TIANJIN RIBAO 9 Oct] .....	18

## NATIONAL AFFAIRS

### Political & Social

Party Plenum Convocation, Results Supported .....	19
Advisory Commission Communique [XINHUA] .....	19
Discipline Inspection Communique [Beijing Radio] .....	19
Press Examines CPC Plenary Session, Decisions .....	20
'New Situation' in Rural Work Urged [RENMIN RIBAO OVERSEAS EDITION 30 Nov] ..	20
Stability, Prosperity Guarantee Seen [Hong Kong TA KUNG PAO 30 Nov] .....	22
'Great Significance' of Session Noted [Hong Kong WEN WEI PO 30 Nov] .....	23
Deepening Rural Reform Viewed [Hong Kong WEN WEI PO 2 Dec] .....	24
Personnel Changes Absence Discussed [Hong Kong MING PAO 30 Nov] .....	25
'New Generation' of Leaders Signaled [Hong Kong SOUTH CHINA MORNING POST 30 Nov] .....	26
Regaining Rural 'Stronghold' Sought [Hong Kong SOUTH CHINA MORNING POST 30 Nov] .....	27
Further 'Analysis' of Issues [Hong Kong SOUTH CHINA MORNING POST 30 Nov] .....	27
Paper Reports on Popularity of Prison-Made Goods [Hong Kong SOUTH CHINA MORNING POST 30 Nov] .....	28
Role of Reeducation-Through-Labor System Viewed [ZHONGGUO XINWEN SHE] .....	29
Bishop Reportedly Dies in 'Police Custody' [Hong Kong SOUTH CHINA MORNING POST 2 Dec] .....	29
Socialist Education in Rural Areas Discussed [QIUSHI 1 Oct] .....	30
Daily Urges Addressing Party Spirit, Style [RENMIN RIBAO 13 Nov] .....	33
Commentator on Education Through Practice [JIEFANGJUN BAO 6 Nov] .....	35
CPPCC Standing Committee To Meet 10-12 Dec [XINHUA] .....	36
More People Sue Officials, Institutions [CHINA DAILY 28 Nov] .....	36
Official Notes 1992 To See Record Births [CHINA DAILY 2 Dec] .....	37

### Economic & Agricultural

Private Trading in Foreign Exchange Permitted [XINHUA] .....	37
Regulations on Foreign Exchange [XINHUA] .....	38
More on Freer Exchange Rules [CHINA DAILY (BUSINESS WEEKLY) 1 Dec] .....	39
New Guidelines Aim at Boosting Investment Abroad [CHINA DAILY (BUSINESS WEEKLY) 1 Dec] .....	39
Government To Train, Evaluate Leading Cadres [XINHUA] .....	40
Commentator on Significance of Economic Work [JINGJI RIBAO 22 Nov] .....	41
Tariff Breaks for State Enterprises Increased [CHINA DAILY (BUSINESS WEEKLY) 1 Dec] .....	44
Further on Shareholding Cooperative Enterprises .....	44
Dong Fureng Article [LIAOWANG 23 Sep] .....	44
Wang Jue Article [LIAOWANG 23 Sep] .....	46
Hebei Governor on Developing Productive Forces [ZHONGGUO JINGJI TIZHI GAIGE 23 Oct] .....	48
Commentator on Harnessing Rivers, Lakes [RENMIN RIBAO 29 Nov] .....	51
Zhu Rongji Sends Message to Coal Conference [Shanghai Radio] .....	53
Commerce Ministry Announces Bumper Cotton Harvest [XINHUA] .....	53

## REGIONAL AFFAIRS

### East Region

State Organs To Provide Assistance to Anhui [XINHUA] .....	54
Jiangsu Farming Aims for Mechanization [XINHUA] .....	54
Needy Jiangsu Farmers Seek Associations Aid [XINHUA] .....	55
Shandong Seeks Overseas Banking Cooperation [XINHUA] .....	56
Shanghai Symposium on Financing Pudong Development [Hong Kong TA KUNG PAO 22 Nov] .....	56
Pudong, Yangtze Valley Link Proposed [XINHUA] .....	57
Shanghai Acts To Reduce Finished Products Stock [Shanghai Radio] .....	57
Shanghai Company Sells Stocks Internationally [XINHUA] .....	57
Shanghai Holds Discussion on Development [XINHUA] .....	58
Zhejiang Standing Committee Session Opens [Hangzhou Radio] .....	58
Session Closes [Hangzhou Radio] .....	58
Zhejiang's Li Zemin Meets Overseas Chinese [ZHEJIANG RIBAO 21 Nov] .....	59
Company Introduces One-Child-Family Insurance [CHINA DAILY 28 Nov] .....	59

### Northeast Region

Jilin Holds Forum on Human Rights Situation [Changchun Radio] .....	60
He Zhukang on Rural Economic Development [Changchun Radio] .....	60
He Zhukang on Rural Commodity Development [Changchun Radio] .....	61
Sun Weiben Attends Party History Work Conference [Harbin Radio] .....	62
Heilongjiang Takes Narcotics Countermeasures [HEILONGJIANG RIBAO 6 Oct] .....	62
Heilongjiang Holds Family Planning Work Forum [HEILONGJIANG RIBAO 20 Sep] .....	63
Heilongjiang Results in Overcoming Illiteracy [HEILONGJIANG RIBAO 2 Oct] .....	63

### TAIWAN

PRC Asks Cooperation in Nuclear Waste Disposal [CNA] .....	64
Minister Calls Cross-Strait Investment Risky [CNA] .....	64
University To Host First Scientist From Mainland [CNA] .....	64
Scientist Arrives in Taipei [CNA] .....	65
Punishment for Independence Activists Urged [CNA] .....	65
Executive Yuan Urged To Repeal 'Black List' [CNA] .....	65
New Political Party Founded in Kaohsiung [CNA] .....	65
Kuomintang Leader Stresses Year End Elections [CNA] .....	66
Kuomintang Against Campaign Irregularities [CNA] .....	66
Non-KMT Election Officials Threaten To Resign [CNA] .....	66
Government Releases First Report on 1947 Riots [CNA] .....	66
Foreign Minister Chien on U.S.-PRC Relations [CNA] .....	67
Editorial Doubts Rebirth of Japanese Militarism [CNA] .....	67

### HONG KONG & MACAO

#### Hong Kong

Jiang Zemin Warns on Legislative Council Role [SOUTH CHINA MORNING POST 2 Dec] .....	68
Official Says Hong Kong Journalists Broke Rules [SOUTH CHINA MORNING POST 28 Nov] ...	68
Joint Liaison Group Meeting Set for 3-5 Dec [XINHUA] .....	69
Legal Worker Views Court of Final Appeal Issue [WEN WEI PO 11 Nov] .....	69
Professional Bodies Oppose Court [SOUTH CHINA MORNING POST 27 Nov] .....	72

#### Macao

Anticorruption High Commissioner Installed [THE STANDARD 29 Nov] .....	73
--	----

## General

### UN Official on Intellectual Property Protection

OW0112112791 Beijing XINHUA in English  
1008 GMT 1 Dec 91

["China's Law on Protection of Intellectual Property Praised"—XINHUA headline]

[Text] Hong Kong, December 1 (XINHUA)—The laws on protection of intellectual property in China including Patent Law and Law on Trademarks are in line with the international standards, a senior U.N. official said here today.

Arpad Bogisch, director general of the World Intellectual Property Organization, added that some of the details in these laws may have dissatisfied some countries such as U.S.A., but China has been considering to make changes after several years of implementation.

As for the differences concerning the protection of intellectual property between China and U.S.A., he hopes both sides will resolve the problems through negotiations.

Bogisch pointed out that the major problem between China and U.S.A. is that Chinese Patent Law fails to give an overall protection on chemical products, especially on pharmaceutical products.

Bogisch said that about half of the 100 countries which have implemented patent law fail to give protection on chemicals and pharmaceutical products while those who do give protection are mostly Western industrialized countries.

Bogisch contended that the protection of the chemicals and pharmaceutical products are only part of the Patent Law no matter how important they may be. And Chinese Patent Law is well in line with the standard of the world intellectual property organizations.

### Views Progress

OW3011033791 Beijing XINHUA in English  
0314 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—The development of intellectual property protection in China is progressing well and shows every indication that it will continue in the future, the director general of the World Intellectual Property Organization (WIPO) said yesterday.

After receiving the title of Honorary Professor from Beijing University, Arpad Bogisch said in his address that he is confident that China's "truly great achievements" of the last 12 years in intellectual property will keep going full speed ahead.

The WIPO chief cited China's recent establishment of the leading group for intellectual property, composed of various government offices.

"The foresight in the establishment of this leading group is apparent in the diverse range of interests that are represented on it," he said. The make-up of the group is a recognition of the pervasiveness of intellectual property in the social and economic structure and its importance in both domestic economic policy and international economic relations, he said.

"I should like to express our sincere hope that the further internationalization of the intellectual property system in China takes place in the near future," he said.

Bogisch said he was referring in particular to the China's "possible accession" to two major international intellectual property treaties: the Berne Convention for the Protection of Literary and Artistic Works and the Patent Co-Operation Treaty.

"China is a country that is too important and has intellectual resources that are too vast for it to remain outside such significant international treaties for too long," he said.

China joined in WIPO in 1980.

Bogisch, who has been WIPO director general for 18 years, has made 12 visits to China and given a great deal of assistance in training Chinese personnel about intellectual property protection, in working out the patent law, and in China's efforts to expand international exchanges in this field.

### UN Concerned Over Attack on Khieu Samphan

OW2911222191 Beijing XINHUA in English  
2124 GMT 29 Nov 91

[Text] United Nations, November 29 (XINHUA)—The United Nations today expressed concern over an attack in Phnom Penh on Khieu Samphan, leader of Democratic Kampuchea and a member of the country's ruling Supreme National Council (SNC).

"The matter is of concern to the United Nations because it relates to the issue of the implementation of the Paris Agreement," Nadir Younes, spokeswoman for the U.N. secretary-general, told reporters when asked for U.N. reaction to the assault.

The attack, which took place on November 27 only hours after Khieu Samphan returned to the Cambodian capital, endangers the peace agreement sponsored by the United Nations and signed on October 23 by the four Cambodian factions including Democratic Kampuchea and 18 other countries.

Under the agreement, SNC, formed by representatives from the four factions and headed by Prince Norodom Sihanouk, runs the country together with the United Nations until elections are held in the country.

The spokeswoman said SNC is scheduled to hold a meeting in Bangkok, Thailand, on December 3 as suggested by Sihanouk.



Meanwhile, concerned about the incident, the five permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United Nations [as received]—met for consultations on the matter this afternoon.

### **Security Council Adopts Resolution on Yugoslavia**

*OW2711225891 Beijing XINHUA in English  
2130 GMT 27 Nov 91*

[Text] United Nations, November 27 (XINHUA)—The U.N. Security Council has reached agreement on the establishment of a peace-keeping operation in Yugoslavia.

Under a resolution unanimously adopted this afternoon, the council undertakes "to examine and take appropriate action without delay" any recommendation of the secretary-general for "the possible establishment" of a U.N. Peace-keeping operation in the country, which has been in a civil war in the past five months.

The resolution approves the efforts of U.N. secretary-general Javier Perez de Cuellar and his personal envoy Cyrus Vance to find a solution to the Yugoslav conflict and expressed the hope that they will continue their contacts with the Yugoslav parties "as rapidly as possible," so that the U.N. chief can present early recommendations to the council including for the possible establishment of a U.N. peace-keeping force in the country.

The council also urged the Yugoslav parties to comply fully with an agreement they signed in Geneva on November 23, saying the deployment of a U.N. peace-keeping operation cannot be envisaged without full compliance by all parties with the agreement.

The agreement, signed by President of Serbia Slobodan Milosevic, President of Croatia Franjo Tudjman and Yugoslavia's Federal Secretary of State for Defense Veljko Kadijevic, provides for the immediate lifting by Croatia of its blockade of Yugoslav Army barracks, the immediate withdrawal from Croatia of blockaded personnel and their equipment and a cease-fire, the 14th so far.

The Security Council's resolution today came after repeated consultations among the 15 members as some of them, including non-aligned members and China, feared that such an operation in Yugoslavia would create a precedent for U.N. interference in a member country's internal affairs.

It was also adopted at the request of the Yugoslav Government, which had officially asked for a U.N. peace-keeping operation to bring peace to the country, in which fighting broke out between Croats and the Serbian-dominated Federal Army in June after Croatia and Slovenia declared independence from Yugoslavia.

In a letter to the Security Council President Yesterday, Yugoslavia's permanent representative to the United Nations, Darko Silovic, requested, upon instructions

from his government, the establishment of a peace-keeping operation in Yugoslavia, which he said also reflects the expressed desire of the principal parties to the present conflict.

The ambassador told reporters before the meeting today that the peace-keeping troops could come from Africa, Latin America and Asia as well as Europe.

Meanwhile, a U.N. spokesman said today that Vance, who ended a mission to Yugoslavia at the end of last week, plans to go back to the country Saturday for the fourth time to continue exploring the possibility of establishing the peace-keeping operation.

Secretary-General Javier Perez de Cuellar has said earlier that the establishment of such an operation requires an effective cease-fire, agreement for a force from all parties concerned, authorization by the Security Council, willingness of member states to contribute contingents and agreement on the financing of this operation.

### **'News Analysis' Views U.S. Aid to USSR**

*OW2811003391 Beijing XINHUA Domestic Service  
in Chinese 1306 GMT 27 Nov 91*

["News Analysis" by reporter Huang Yong (7806 3144): "Why Did the United States Decide to Aid the Soviet Union?"]

[Text] Washington, 26 November (XINHUA)—The U.S. Senate adopted a bill yesterday, requesting appropriation of \$500 million from the U.S. defense budget to help the Soviet Union dismantle its nuclear arsenal. The bill also provides for the U.S. Government to mobilize military personnel and equipment to deliver relief food and medicine when necessary. The House is expected to adopt a similar bill soon.

Last week, the United States announced a package of \$1.4 billion food aid to the Soviet Union. The G-7 nations, which include the United States, agreed recently to allow the Soviet Union to postpone payment of some foreign debts and to provide it with new short-term loans. Public opinion here believes that all of these indicators signal that the United States is worried about the possible consequences of the current situation in the Soviet Union.

The U.S. mass media reports that the current Soviet economy is on the verge of bankruptcy. This, plus the escalation of ethnic troubles, may lead to a more turbulent situation in the Soviet Union. Bankruptcy of the Soviet economy would create a series of knotty problems for the West. The United States worries the most about nuclear proliferation. According to a U.S. intelligence analysis, failure to take prompt measures to dismantle or assemble nuclear weapons scattered in various Soviet republics will result in a situation dreadful to contemplate. With this in mind, the United States and its Western allies have decided to take action to "aid the Soviets."

U.S. aid to the Soviet Union is much more limited in scale than what the Soviet Union originally requested. This is because first, the United States itself is experiencing economic recession and facing mounting debts and is therefore unable to do everything that it wants very much to do. Second, amid public outcry about the need to prioritize various domestic problems, both Republicans and the Democrats dare not take bolder action on the issue of aiding the Soviet Union in the face of next year's general elections.

### Leaders Support Bid To Host Olympics in 2000

OW0112173891 Beijing XINHUA Domestic Service  
in Chinese 1429 GMT 1 Dec 91

[By reporters Li Hepu (2621 6320 2528) and Wang Yuelong 3769 1471 7893]

[Text] A ceremony to deliver Beijing's application to host the Olympic Games in 2000 was held solemnly at the International Conference Center this afternoon. Chen Xitong, state councillor, mayor of Beijing, and president of Beijing 2000 Olympic Games Bid Committee, handed the relevant application documents over to Zhang Baifa, vice mayor of Beijing and vice president of the Beijing 2000 Olympic Games Bid Committee. A delegation of Beijing 2000 Olympic Games Bid Committee, headed by Zhang Baifa, will leave for Lausanne on 3 December to hand over Beijing's application to the International Olympic Committee [IOC].

On 9 March this year Beijing announced its application to host the 2000 Olympic Games. The ceremony to deliver Beijing's application shows that Beijing has made further progress in its application to host the 2000 Olympic Games.

Chen Xitong first read his letter to the IOC president and other IOC members. He said: "On behalf of the people of Beijing, I have the honor to officially submit to the IOC Beijing's application to host the 27th Olympic Games in 2000. If Beijing Municipality is given the honor to host the 2000 Olympic Games, we will strictly abide by the Olympic Charter and carry out preparations actively to make the 27th Olympic Games a success."

Wu Shaozu, minister of the State Physical Culture and Sports Commission and executive chairman of the Beijing 2000 Olympic Games Bid Committee, read aloud Premier Li Peng's letter to IOC president and other IOC members. Li Peng said in his letter: "On behalf of the government of the People's Republic of China, I am glad to tell you that the Chinese Government and people wholeheartedly support the candidacy of Beijing as the host of the 27th Olympiad in 2000."

He Zhenliang, president of the Chinese Olympic Committee and vice president of the Beijing 2000 Olympic Games Bid Committee, spoke at the ceremony. He said: There is social stability in China, and its economy is developing. Therefore, it is equipped with the conditions to host the 2000 Olympic Games. The Chinese

Olympic Committee and the people of the whole country highly cherish this important and hard-to-come-by decision and also expect to join the entire world in sharing the joy and honor of holding the Olympic Games in China. He Zhenliang, vice president of the IOC, expressed the hope that Beijing's application will have the understanding and support of his friends and colleagues in the IOC.

Noted athletes Huang Zhihong, Xu Haifeng, and Gao Min, who have earned world championship titles, attended today's ceremony. In her speech, women's world shot-put title holder Huang Zhihong expressed her sincere hope that the 2000 Olympic Games could be held in Beijing.

The application-delivering ceremony was held in a solemn and warm atmosphere. A university chorus of the capital sang a song "Ode to the Olympics" at the end of the ceremony. The Beijing members of the All-China Sports Federation and the Chinese Olympic Committee, representatives of universities and middle schools in the capital, as well as a few hundred Chinese and foreign reporters attended the ceremony.

It has been learned that the application documents include Chen Xitong's letter to the IOC president and other IOC members, Premier Li Peng's letter to the IOC president and other IOC members, and He Zhenliang's letter to the IOC president and other IOC members.

### Academic Body Views Prospects for World Economy

HK2811151691 Beijing RENMIN RIBAO in Chinese  
25 Nov 91 p 7

["Developments in International Academic Studies" column by Sun Jie (1327 2638): "How Do Things Stand in Present World Economic Situation?"]

[Text] The fourth annual meeting and academic forum of the China Society of World Economics was recently convened in Leshan City, Sichuan Province. One of the major topics of the meeting was the world economic pattern in the 1990's.

Society President Pu Shan, first gave a speech on the features of the present world economic situation and its development trend. The participating scholars engaged in heated discussions on some current major issues in world economics. They raised the following points: First, the disbandment of the Warsaw Pact and CEMA has changed the political and economic pattern of the world. Second, the economy of the United States started to show signs of recession in the second half of last year following a period of growth. Despite a limited recovery later, it is still very weak and some people even see the possibility of "double slump." The current economic crisis in the United States will bring some new problems to the world economy and needs to be studied in depth. The third point concerns the issue of German reunification and a unified European market. The EC has developed and consolidated Europe's status in the world economy. The

participating scholars reached a general consensus on this point. However, differences arose when it came to the future of Europe. Some held that German reunification is conducive to the EC's development. As far as Germany is concerned, it will take a positive and active attitude to obtain the understanding of other countries. On the other hand, Britain and France will also want to speed up the building of the EC to keep Germany in check. Yet, others believed that the impact of German reunification is still hard to measure up to now, as there are many uncertain factors. The dramatic changes in the Soviet Union and East Europe and the escalation of Europe's conflicts with the United States and Japan in the economic domain have simultaneously increased the solidarity and disunity of the EC and has made it possible for nationalism to gain ground. The fourth question concerns South-North relations. Most of the delegates to the meeting disagreed with the World Bank's optimistic forecast about the economic situation in developing countries in the 1990's. They expressed the belief that for the overwhelming majority of developing countries, the 1980's was a lost decade and that they are now faced with a development crisis. The developed countries monopoly over capital and technology, developing countries' policy mistakes and heavy debts, as well as the impact of the changes in the Soviet Union and East Europe on the flow of funds will all add to the economic difficulties of developing countries, widen the gap between South and North, and intensify South-North conflicts.

### United States & Canada

#### Reaction to Joint-U.S. Trade Talks Continues

##### Minister Views Congress' Stance

HK0112043591 Hong Kong TA KUNG PAO  
in Chinese 1 Dec 91 p 1

["MOFERT Official Criticizes U.S. Congress for Politicizing Trade Issue"]

[Text] According to a Hong Kong television newscast, China and the United States will resume talks on the intellectual property rights issue in Switzerland in the upcoming January, as disclosed by Sun Zhenyu, a Ministry of Foreign Economic Relations and Trade (MOFERT) officer in Beijing on 30 November.

Sun said China will not take retaliatory action against U.S. punitive tariffs. However, nothing constructive will result should the United States resort to this menace.

Sun Zhenyu is currently Director of the MOFERT Department of Affairs of the Americas and Oceania.

Sun Zhenyu also said that the reasons for the failure in Sino-U.S. trade talks are the too high requirements set by the U.S. side and the politicizing of trade issues by the U.S. Congress. It was not the case that the Chinese side has not given sufficient protection to intellectual property rights, as the United States complained.

Sun added that Sino-U.S. trade talks will possibly resume in Switzerland in mid-January, and the Chinese side hopes that the two sides will carry on the talks under conditions of equality and mutual benefit.

Sun Zhenyu pointed out that the United States had been in contact with China for approximately 40 years. They should know very well that pressure alone has never worked in doing business with the Chinese. Only when the two sides sit down on an equal basis talking with frankness and sincerity with a positive attitude toward resolving problems will it be possible to reach an agreement.

Although the U.S. side has worked out a list to increase tariffs on \$1.5 billion-worth Chinese goods, China is not thinking of any retaliatory actions at the present stage.

Sun Zhenyu stated, "We do not easily resort to retaliation, but the Americans should know that the Chinese side has a limit to their restraint. This being the case, it is wise for the Americans to leave some leeway, and refrain from doing anything definitive."

Sun added, should the U.S. really resort to sanctions, factories in Guangdong and Fujian would suffer the most, while Hong Kong's entrepot trade would also be dealt a heavy blow. He expressed the belief that prospects for Sino-U.S. trade remain bright because the United States can provide China with advanced technology and experience, whereas the United States also needs Chinese goods and labor.

#### Article Assesses Responsibility

HK0112045791 Hong Kong WEN WEI PO  
in Chinese 1 Dec 91 p 7

[Article by Chou Chung-ming (0719 0112 2494): "Responsibility for Setback in Sino-U.S. Talks Rests on U.S. Side"]

[Text] The Sino-U.S. talks on protecting intellectual property rights, which drew wide attention, failed to reach any agreement. Not only Chinese and Hong Kong people in relevant quarters were disappointed at hearing the news, but some U.S. representatives also felt that their government's decision was "unexpected." The U.S. authorities' decision to take retaliatory steps and draw up 100 percent "punitive" tariffs on some Chinese imports according to special provision 301 of the U.S. trade laws is a move which not only violates international norms but also hurts the feelings and interests of the Chinese and American people. Therefore, it is a very unwise decision.

According to reports by the mass media about the process of the talks and the basic positions and gestures of the two sides, obviously, the U.S. side should bear the main responsibility for the breakdown. Some U.S. politicians, proceeding from their stubborn political prejudice and making use of the current political atmosphere in the changing world pattern, tried by every possible



means to politicize economic problems to shift the blame for domestic economic contradictions to external factors and to pursue power politics in foreign affairs. They attached various unacceptable human rights conditions to the Sino-U.S. arrangements for intellectual property rights and the extension of China's most-favored-nation trade status. This was the main reason for the breakdown of the recent trade talks.

People who have knowledge of development of Sino-U.S. relations are all aware that the Chinese Government and people always hold a sincere attitude toward relations with the United States. Although there exist substantial differences in social systems and ideology between the two countries, China and the United States still have developed friendly relations over a fairly long time in the past on the basis of the peaceful coexistence principle and such a sincere attitude.

During the last two years, for various reasons, some friction and feelings of estrangement arose between the two countries. The Chinese Government still laid stress on the two peoples' friendship and interests and continued to show a sincere attitude and make unremitting efforts to remove misunderstanding and develop friendly cooperation with the U.S. side under a new situation. Take the issue of protecting intellectual property rights as an example. For some historical reasons, China indeed lacked a perfect legal foundation for protecting intellectual property rights in the past. As in the field of economic development, there was also a gap between China and the developed nations in the field of protecting intellectual property rights. However, since reform and opening up, China has come to understand this issue and has also made great efforts to change the previous situation and continuously improve the system for protecting intellectual property rights. On 23 August 1982, China promulgated the "PRC Trademark Law;" on 10 March 1983, the Chinese Government formulated the Rules for the Implementation of the Trademark Law; on 12 March 1984, the National People's Congress adopted the "PRC Patent Law;" in 1985, the Rules for the Implementation of the Patent Law were also formulated; on 7 April 1990, the National People's Congress further adopted the "PRC Copyright Law," which came into force on 1 June 1990. At the same time, China has successively joined such international organizations for protecting intellectual property rights as the World Intellectual Property Organization, the Paris Covenant on Protecting Industrial Property Rights, and the Madrid Agreement on Trademark Registration. At the same time, China has also conducted international exchanges with regard to the protection of intellectual property and paid attention to emulating the useful experience of other nations in order to improve its own system.

China also seriously handled some cases of suspected violation of intellectual property rights, such as the violation of IBM's trademark by a Chinese company in Shenzhen. China has adopted special measures for protecting some very well-known trademarks that were registered in China.

This time, the Chinese trade delegation held a sincere and cooperative attitude in going to the United States to hold negotiations on the issue of protecting intellectual property rights. As a Chinese official who participated in the talks said, China "accepted almost all demands raised by the U.S. side, but it seemed that we still could not ingratiate ourselves into their favor because they were too stubborn." According to reports by mass media, during the talks, to show its sincerity, the Chinese side not only indicated willingness to take more "very positive measures" for protecting patents and copyright, but also indicated that it would sign the Berne and Geneva covenants. It can be said that the Chinese side had done everything it could do.

However, the U.S. side still disregarded the efforts made by the Chinese side. This cannot but make people suspect that the U.S. side was harboring certain ulterior motives and was merely using the protection of intellectual property as a pretext.

#### **'Special Article' Views Talks**

*HK0212100191 Hong Kong TA KUNG PAO  
in Chinese 29 Nov 91 p 2*

["Special Article" by Lin Ning (2651 3942): "Guangdong Experts on Sino-U.S. Trade Talks"]

[Text] A shadow once again fell on Sino-U.S. relations as a result of the failure to reach an agreement on the issue of intellectual property rights. Patent administration specialists here note that the United States may take action of "retaliatory" tariffs, feeling that in the area of intellectual property rights, if the United States obstinately takes its own practice as an established "international criterion," indiscreetly practicing "power politics" to impose trade sanctions, it will only "bring the talks to a blind alley."

The specialists pointed out: With regard to the "regional" characteristic of intellectual property rights, it is common sense that only by acknowledging as precondition the fact that great differences exist in the laws of intellectual property rights in various countries can some unified major international conventions on intellectual property rights be concluded.

#### **The International Convention Should Be the Basis of Judgment**

Therefore, when people discuss whether or not a country's intellectual property rights law is in keeping with "international criterion," the basis of judgment should be whether it is in keeping with the existing international convention rather than with a certain country's established law of intellectual property rights. People know that China's "General Rules on Civil Administration" and "Regulations on Prohibiting Unfair Competition" now being drafted apparently diverge from the U.S. "Antimonopoly Law." Although the United States is the first country to use legislation to prohibit unfair competition, yet antimonopoly is apparently not the only way



to prohibit unfair competition, if it is analyzed strictly from the legal point of view.

The analogy of law science specialist Zheng Chengsi [6774 2052 1835] explains things clearly, though it is quite plain. He said: A trader from the individual sectors selling sweet gourds may conduct unfair competitive activities, but he is most unlikely to have a monopoly of the commodity. "If only one country's standard is taken as a criterion, there is no way of talking about law in the strict sense.

#### **Invention or Application First**

The "Paris Treaty on Protection of Industrial Property Rights" was concluded nearly a century ago, and China has been a member of the treaty organization since 1985. Countries practicing totally different patent systems of "application first" and "invention first" are coexisting under the same treaty, which shows clearly the "regional" character of intellectual property rights. At present, only a couple of countries in the world practice the "invention first" system, while "application first" is practiced in more than 100 countries. It is not feasible, and neither is it acceptable, to ignore the traditional practice of the great majority of countries, obstinately try to set up one country as "international criterion" maker, and establish an international economic order thereby.

The specialists said: This involves the issue of criterion in evaluating China's intellectual property rights: First, the international convention must be the basis of evaluation. Second, when two countries' laws, in terms of intellectual property rights, conflict, negotiations on an equal footing should be conducted to remove disagreements and misunderstandings between them to seek common ground. If a country merely wants to force the other side by means of its economic strength to be subdued, this can neither be viewed as a good method, nor can it convince people.

China is a developing country. Over the past six years, to meet the requirements of practicing a patent system and deepening the economic structural reform, China has initially instituted a patent work system with the State Patent Office as its core and 25 functional departments subordinate to it. The admission of China's memberships to the Paris Treaty on Protection of Industrial Property Rights and the Madrid Accord on Trademark Registration indicates that China's trademark law by and large tallies with the minimum requirements of these international conventions.

In 1989, China suspended the original rule of commodity classification, which had been used for a long time, and adopted the rule of international classification established according to the "Nice Accord." In 1990, China made comprehensive amendments including intellectual property rights, accepting suggestions to amend protection of good-name and service trademarks, and enlarging the scope of patent protection to include pharmaceutical and chemical products. At present, China is studying joining the international treaty on

patent cooperation and signing the Paris Treaty supplementary agreement (on patent law) at a diplomatic meeting to be held next year.

#### **Mutual Understanding and Accommodation**

It is thus clear that stepping up protection of intellectual property rights, including the patent right, has been a definite and firm policy of the Chinese Government. Although it is still to be further improved and perfected, its development in the direction of even further internationalization and conduciveness to cooperation and exchange among the scientific and technological circles of various countries is very obvious.

The specialists pointed out: Because of differences among various countries in social systems and economic development levels, it is common for intellectual property rights disputes to arise. If the international convention is taken as a criterion, and an attitude of mutual understanding and accommodation is assumed, it is not difficult to find a solution. However, if one uses a subject under discussion to impose one's own ideas, and practices "trade sanctions" to achieve political aims, then the economic and trade relations between the two countries will be pushed to a dangerous brink.

In case the United States practices "retaliatory" tariffs and China also takes reciprocal measures to raise relatively higher tariffs on imports of the same commodities from the United States, certainly, U.S. exports to China will be seriously affected. According to the Ministry of Foreign Economic Relations and Trade's business statistics, in the first half of this year, imports from the United States increased 66.2 percent [as published]. Once U.S. goods are withdrawn from China's market, goods from other countries will fill the vacancy. In addition, the contract amount of U.S. investors in China has reached \$4.36 billion; if China adopts corresponding sanctions, they will find it difficult to sell back their products in the United States and will suffer economic losses. Moreover, Hong Kong will also be greatly affected, thus inflicting damage to U.S. interests in Asia and other regions.

#### **The Situation's Development Eventually Hinges on the U.S. Attitude**

Evidently, China is prepared for the worst. Diversified trade has scored initial achievements. This year, imports from ASEAN countries, Japan, and France respectively increased 30, 24, and 20 percent, greatly exceeding the increase figure of imports from the United States. The development of the situation eventually hinges on the U.S. attitude.

#### **Journal on New CPC Policy Toward United States**

HK2911064391 Hong Kong CHENG MING  
in Chinese No 170, 1 Dec 91, pp 17-19

[Article by Lin Pai-niao (2651 4101 7680): "CPC Formulates New Policy Toward United States"]

[Text] The uneasy days were covered by a superficial tranquility.

During Baker's visit, Beijing's Changan Avenue and other important areas were decorated with colored flags and everything seemed to be serene and tranquil.

However, since early October, the Ministry of National Security, the Ministry of Public Security, and the Beijing Municipal CPC Committee had been very busy. In accordance with a State Council instruction, they had adopted such measures as temporarily restricting some people's outdoor activities and exercising on-the-spot "protective" supervision over some others.

#### **Close Watch Kept on 52 People**

Beijing CPC Secretary Li Ximing also issued an order: "During Baker's visit, no trouble will be allowed to occur. The sense of struggle must be intensified and security must be carefully arranged. The party committees and security departments in the units concerned should conscientiously fulfill their tasks."

According to this order, beginning 10 November, 52 people in Beijing were put under close surveillance, seven of whom were under "priority protection." Dai Qing and Hou Xiaotian, who "disappeared" during this period, belonged to the latter category.

#### **CPC 10-Point Policy Toward United States**

Such phenomena are not rare in China, where the rulers wantonly trample on human rights.

However, the CPC never admits the violations of human rights; instead, the members even pose as guardians of human rights. The "China's Human Rights Situation" white paper published on 1 November mentioned that China attached importance to human rights and guaranteed the people's democratic rights. The CPC authorities also required party members and cadres to study the white paper, which they used to deceive themselves as well as others. At the same time, in view of Baker's visit and other factors, the CPC issued another internal document entitled "Propaganda and Education Arrangements Regarding the Current Basic Principles and Policies Toward the United States." The document was drafted and formulated by the CPC Central Propaganda Department and the Ministry of Foreign Affairs. The contents of the document were divided into two parts. The first part was related to foreign affairs and the second to domestic affairs.

There were five points in the first part:

First, no matter what drastic changes may occur in the international situation, we shall persistently strive to improve, adjust, and develop Sino-U.S. relations according to the joint statements signed by the two governments. We shall settle and discuss differences between the two countries based on the five principles of respecting each other's sovereignty and territorial integrity, nonaggression against each other, noninterference

in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

#### **Stressing Need To Expose U.S. "Peaceful Evolution" Activities**

Second, we must resolutely oppose U.S. activities of interfering in our internal affairs under the human rights pretext and resist attempts to export U.S.-style ideology to China through the two countries' economic, technological, scientific, and cultural exchanges. It is necessary to openly expose the peaceful evolution activities of the United States.

Third, continue economic, scientific, technological, cultural, and educational exchanges and do not relate such exchanges to differences in ideology and in national conditions. The problems and differences regarding "intellectual property rights" and Sino-U.S. trade should be settled according to international law and the norms for state-to-state exchanges. The U.S. action of unilaterally violating international legal norms should be made public in good time, and relevant countermeasures should be adopted.

Fourth, various government departments and civil organizations should take the initiative in strengthening and expanding intercourse with American people and organizations in the political, business, academic, and other social circles who are friendly to China, thus promoting and increasing friendship and mutual understanding between the two peoples.

Fifth, we must comprehensively adjust and examine our country's previous practice in developing foreign economic relations and trade, scientific and technological cooperation, and educational exchanges, where lopsided priority was given to the United States. It is now necessary to open to Europe and Japan across the board and to expand cooperation and exchanges with Southeast Asia, thus offsetting U.S. threats and pressure about extending China's most-favored-nation trade status.

#### **Calling on Party Members, Cadres To Be Conscious in Overcoming Mentality of Blindly Admiring United States**

There were also five points in the second part of the document:

First, leaders at all levels should fully and more deeply understand the U.S. social system of the United States, understanding that the nature of its ruling class is to seek world hegemony, arbitrarily interfere in other nations, and subvert the political, economic, and social systems of other countries.

Second, it is necessary to study and understand the white paper "China's Human Rights Situation" issued by the State Council. Through studying national conditions and China's modern history over the past 100 years and more, people should be helped to understand the human rights situation under the hegemonist and power politics

of the imperialist powers and see through the real purpose of the anti-China politicians in the Western countries in flaunting the human rights banner.

Third, the vast number of party members and cadres should be conscious in overcoming the mentality of blindly admiring the United States and in criticizing the theory about wholesale Westernization. However, U.S. advanced industry and technology should be separated from the nature of the U.S. ruling class.

Fourth, strengthening patriotic and socialist ideological education in connection with the fact that the United States interfered in China by means of imposing economic sanctions and an embargo against China and encouraging the people to dedicate themselves to the motherland's four modernizations. Cracking Down on "Bourgeois Liberalization" Elements [subhead]

Fifth, it is necessary to expose and attack the domestic "bourgeois liberalization" elements who colluded with the overseas hostile forces and acted as a cat's paw for the U.S. policy for effecting peaceful evolution in China and interfering in and subverting our socialist construction and stable situation.

It is learned that Jiang Zemin wrote an instruction on the draft of this document: "Party leaders at all levels should fully understand and properly conduct propaganda and education and should handle our own affairs well according to the party center's general principles and policies."

Although the 10-point principled policy toward the United States mentioned the need to "improve, adjust, and develop Sino-U.S. relations," the main theme of this policy was anti-American because it first of all pointed out that the United States was trying to interfere in and subvert China's socialist system and was thus the biggest enemy of the CPC. Thus large-scale adjustments were made in both domestic and foreign policies.

#### **Document Showed Diehards Have Upper Hand Inside CPC**

The document showed that after the drastic changes in the Soviet Union, the CPC authorities have adopted a tougher position in foreign affairs and have decided their external and internal policies according to the ideological factor. It also showed that the diehards have the upper hand inside the party.

Although the basic policy toward the United States had been laid down, Baker's visit would still cause some knotty problems for the CPC authorities, so they needed to formulate some concrete policies. Although Li Peng behaved in an ugly manner by pulling a long face and speaking with a low voice when meeting with Baker, the CPC senior leaders, and even top leaders, did not dare neglect this "unfriendly" visitor.

When talking with Jiang Zemin and Wan Li on 29 October, Deng Xiaoping said: "Sino-U.S. relations are moving backward. This is not our fault. The United

States is the most developed capitalist country in the world, while ours is the largest developing country. We can both exist and develop without relying on each other. China and the United States should continue their friendly relations through seeking common ground while reserving differences. This will be beneficial to both sides and will also be in the interests of Asia and the world as a whole."

#### **Deng Xiaoping, Most-Favored-Nation Status Issue Makes PRC Very Passive**

On 4 November, Deng Xiaoping gave further instructions to the Political Bureau: "In short, Baker's visit to China is mainly to show the card of human rights to Western standards. There is pressure from the U.S. Congress. The Republican Party feels pressured because Bush is running for the presidential election next year. The United States shows this card because it has the best card, the most-favored-nation status. This problem must be studied seriously. If it is not properly solved, it will become an annual dilemma and we will become very passive."

On 9 November, a meeting of 10 senior figures was called in Zhongnanhai. Among the participants were Deng Xiaoping, Chen Yun, Jiang Zemin, and Yang Shangkun. At the meeting, they discussed the policy toward the United States.

On 11 November, the Political Bureau called a meeting to discuss the principle for talks with the United States. Yao Yilin and Song Renqiong, who were then resting in the hospital, also attended the meeting.

#### **Bo Yibo Says Central Advisory Commission Will Struggle Against United States**

At the meeting, Bo Yibo revealed the Central Advisory Commission's position by saying: "In dealing with the United States, we must stick to the socialist principled position. We must not place China's development and hopes on a change of U.S. strategic principle. We must not revise our consistent position on political and economic matters just because we want to enjoy the most-favored-nation system, bank loans, and other benefits. Following the drastic changes in the Soviet Union, the United States has been imposing its will on us in an attempt to throttle our socialist cause. This is their overt principle. We must expose their strategic objectives. In response to U.S. hegemonism and power policy, it is incumbent on the Communist Party to struggle against them, vigorously expose their objectives, and start necessary struggles from the Marxist position."

Bo Yibo also said: "The United States is as unhappy to see a strong and prosperous China, as it was to see the Soviet Union's success in building socialism a year ago. If we discard our principle to give way to, appease, or concede to them, we will definitely fail in the socialist cause."



Bo Yibo's remarks obviously represent the stubborn position of those old men in the Central Advisory Commission on dealing with the United States.

At the meeting, some people disagreed with this stubborn position, tending to adopt the position of "seeking common ground on major issues while reserving differences on minor ones" for improving Sino-U.S. relations. Because it was impossible for them to reach a consensus, the meeting came to a temporary halt and the Political Bureau Standing Committee began discussion instead.

#### **Chen Yun's U.S. Policy Instruction Reacts to Deng Xiaoping's**

On 12 November, Chen Yun gave instructions regarding policy toward the United States: "If we make too many concessions, we will end up being led by others. The Soviet Union serves as a good example." Some people thought that this remark was a response to Deng Xiaoping's and that it supported the stubborn position. Nonetheless, Deng Xiaoping favors pragmatism. He sees that if China takes too tough an attitude, it will not be good for either side and still worse for the CPC. Therefore, he favors flexibility in policy.

On 13 November, Deng Xiaoping told Yang Shangkun, Jiang Zemin, and Li Peng: "We should be a little more flexible in pursuing the U.S. policy. We must stick to and show our general principles. Questions affecting the interests of both sides, such as the unfavorable balance of trade and intellectual property rights, should be solved according to international practice. We should clarify and demonstrate our position on the question of arms exports and nuclear proliferation and, on the human rights question, we should give our explanation. If no progress is made at one meeting, we can continue discussion at another. We must not oppose them or avoid the questions. We should be pragmatic."

#### **Deng Xiaoping Tells Jiang Zemin by Phone: Be a Little More Flexible**

On 16 November, after listening to the report on Sino-U.S. talks, Deng Xiaoping phoned Jiang Zemin and Yang Shangkun and told them: "On second thoughts, I think I had better not see him (Baker). As friends, it is not the best time for me to see him this time. It is not the time to congratulate him either, because no breakthrough was made in the talks. I think you should decide for yourselves and be a little more flexible. Do something to create conditions for both sides and invite President Bush for another visit to China."

On the morning of 17 November, Deng Xiaoping phoned Jiang Zemin again, saying: "Sino-U.S. relations, which are very important, must be improved anyway. Please tell Comrade Qian Qichen to be careful about our criteria."

Deng Xiaoping constantly maintains a flexible attitude and favors improvement of Sino-U.S. relations. This

pragmatic attitude contrasts very greatly with the stubborn and antagonistic position of Chen Yun and others. China is different today from what it used to be because it can no longer use the "Soviet card." The CPC faces a superpower which plays a vital role in the world. If China stubbornly resists it, it will have to relapse into a closed-door country, as it used to be.

#### **State Council Information Shows That If United States Imposes Sanctions, China Will Suffer Enormously**

A statistical report turned in to the Central CPC Committee by the State Council shows: Sino-U.S. trade volume accounts for 21 percent of China's imports and exports and China's entrepot trade with the United States via Hong Kong and Macao accounts for another 17 percent. These two figures total 38 percent. Each year, imports of advanced industrial, scientific, and aviation technologies and machinery accounts for 47 percent of all imports. Annual exports to the United States account for 12 to 14 percent of the gross output value of the national economy.

Moreover, after Hong Kong, the United States is the second largest investor on the mainland with the investments being the largest in scale and the relevant projects the most advanced.

In China, some nine million staff and workers labor at enterprises producing exports to the United States, or at U.S.-funded productive enterprises, or enterprises set up in Guangdong by Hong Kong and Macao businesses whose products are exported to the United States.

If the United States cancels China's most-favored-nation status, China will suffer an incalculably huge loss. CPC diehards may well shut their eyes to this, but the results of such a loss will frustrate China's "reform and opening up" or delay its progress for several years. This is what Deng Xiaoping least wants to see.

#### **It Is Difficult To Consistently Pursue U.S. Policy**

Although numerous differences arise among CPC senior figures over the U.S. policy, they have come to a temporary "consensus" after making concessions. However, the "consensus" will probably be limited only to high-ranking CPC officials. Whether or not intermediate and low-level cadres and the broad masses will listen to it or follow it is another matter.

A high-ranking cadre once sighed and with emotion said: "The era of instilling ideology at every level from top to bottom is now gone. The effect of the CPC's anti-American policy on the Chinese people, whose thinking and horizons have been greatly widened, is well known in that the people will not implement the policy."

This is a representative [dai biao xing 0108 5903 1840] view.

**Further Reportage on Governors' U.S. Tour****Guo Shuyan Meets Ohio Governor***HK2811094191 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 23 Nov 91*

[Excerpts] Hubei Provincial Governor Guo Shuyan, head of a Chinese governors' delegation which is paying a friendly visit to the United States, met with Ohio Governor George Voinovich in Cleveland, Ohio on the morning of 21 November. During the meeting, Governor Guo and Governor Voinovich reviewed the development of friendly relations between Hubei and Ohio over the past 12 years.

Governor Guo pointed out: During the past 12 years, satisfactory progress has been made in the development of relations between the two sides, with three firsts being established; namely, the first friendly relations between a province and a state formed after the establishment of diplomatic relations between China and the United States, the first Sino-U.S. joint venture—the Hubei Parker Seal Plant, and the first agreement on scientific and technological cooperation signed between a province and a state.

Governor Guo said: We should thank our predecessors for their farsighted actions taken in establishing diplomatic relations between China and the United States, and friendly relations between Ohio and Hubei Province. We believe that friendly and cooperative relations between us will further develop during the term of Governor Voinovich. [passage omitted]

Governor Voinovich invited Hubei to send a delegation to participate in activities commemorating the 500th anniversary of Columbus's discovery of the American continent, to be held by Ohio in 1992.

All members of the Chinese governors' delegation and a visiting Hubei provincial goodwill delegation were present at the meeting.

**Consul General Assesses Visit***OW3011121191 Beijing XINHUA Domestic Service in Chinese 1117 GMT 29 Nov 91*

[By reporter Wei Guoqiang 7614 0948 1730]

[Text] Washington, 28 November (XINHUA)—San Francisco: A Chinese delegation of provincial governors headed by Guo Shuyan, governor of Hubei, successfully concluded its two-week visit to the United States and left San Francisco for home on 28 November.

On the evening of 27 November, Zheng Wanzhen, Chinese consul general in San Francisco, held a reception in honor of the Chinese delegation of provincial governors. Present at the reception were more than 100 personages from all circles of the United States, people of Chinese descent, and leaders of overseas Chinese.

In his speech, Consul General Zheng Wanzhen said: The visit of the Chinese provincial governors' delegation to the United States "shows the Chinese Government pays great attention to Sino-U.S. relations and is making unremitting efforts to shift relations back into the orbit of normal development."

He pointed out: Not long ago, U.S. Secretary of State Baker made a successful visit to China. This is a foresighted step adopted by the U.S. Government as well as an event of great importance in Sino-U.S. relations. The visit is helpful to restoring and developing relations between the two countries. The maintenance of Sino-U.S. relations is not only in the fundamental interests of the people of both countries but also helpful to peace and stability in the Asia-Pacific region and even in the world.

Governor Guo Shuyan said: During the tour in the United States, the delegation met with U.S. Government officials and personages in all other circles. Wherever we went, we were warmly and amicably entertained by American friends. Our visit has been a complete success.

The San Francisco City Council dispatched a representative to attend the reception and issue the city council's certificates of merit to the delegation's five governors and vice governors to commend them for making contribution to developing Sino-U.S. relations.

At the invitation of the U.S.-Chinese Relations National Committee, the Chinese delegation of governors arrived in New York on 13 November, visited New York City, Washington D.C., Massachusetts, Maryland, New Jersey, Ohio, Washington, California, and other states, and made extensive contacts with persons in all circles of the United States on trade exchanges, technological cooperation, and other questions. While in Washington D.C., the delegation also met with officials at the White House and the State Department.

Members of the delegation include Xu Xingguan, vice governor of Zhejiang; Shao Ming, vice governor of Anhui; Tudao Doje, vice chairman of Tibet Autonomous Region; and Ma Lin, vice governor of Sichuan.

**Northeast Asia****Vice Premier Tian Jiyun Arrives in Tokyo***OW0212064691 Beijing XINHUA in English 0618 GMT 2 Dec 91*

[Text] Tokyo, December 2 (XINHUA)—Chinese Vice Premier Tian Jiyun, heading a 15-member government delegation, arrived here this afternoon on a 10-day official visit to Japan.

This will be the first visit by a high-level Chinese Government delegation since Japanese Prime Minister Kiichi Miyazawa came to power early last month.

During his stay in Tokyo, Tian, who is in charge of China's external economic and agricultural affairs, will hold talks with Miyazawa and a number of incumbent and former Japanese officials. He will also meet business leaders.

Before the delegation leaves Tokyo on December 6, Tian is scheduled to deliver a speech on the current situation in China and China's view on its relations with Japan.

The Chinese delegation will make an inspection tour of Fukuoka, Kumamoto, Osaka and Okayama in western Japan.

Tian and his delegation were invited by the Japanese Foreign Ministry and the Japan-China Association on Economy and Trade.

#### Conference on Exchanges With Japan Closes

OW2911143391 Beijing XINHUA in English  
1351 GMT 29 Nov 91

[Text] Beijing, November 29 (XINHUA)—The fifth China-Japan friendship exchange conference closed here today, with nearly 100 Chinese and Japanese public figures attending, for the purposes of furthering bilateral friendship and cooperation.

During the conference, the China-Japan Friendship Association and the Japan-China Friendship Association exchanged views and held consultations on mutual friendship-promotion work, and reviewed the principles set in the China-Japan joint statement and the China-Japan peace and friendship treaty.

They also agreed to give further play to the people-to-people diplomacy in a bid to ensure a healthy development of the bilateral friendship.

Later today, the Japanese association gave a banquet in honor of all the Chinese friends present at the conference.

President Sun Pinghua of the Chinese association, Director Yuan Mu of the research office of the Chinese State Council, and Chairman Masao Shimizu of the national headquarters of the Japanese association were present on the occasion.

#### Li Ruihuan Meets Participants

OW3011035791 Beijing XINHUA in English  
0339 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—Chinese Communist Party Leader Li Ruihuan today praised Japanese activists for Japan-China friendship for their "long-term, comprehensive and fruitful endeavors" in promoting friendly and cooperative ties between the two neighboring countries.

Li, a Standing Committee member of the Political Bureau of the party Central Committee, had an hour-long meeting with Chinese and Japanese participants in

the fifth China-Japan Friendship Exchange Conference which ended here yesterday.

Extending congratulations on the success of the conference, Li stressed that sound ties between China and Japan are important not only to the two peoples but also to future development of the situation in Asia as a whole.

He expressed the hope that the two governments and non-government figures in China and Japan would make new joint efforts to consolidate and develop Sino-Japanese relations.

Li also briefed the visitors on the Eighth Plenary Session of the Chinese Communist Party Central Committee which ended here yesterday.

Masao Shimizu, chairman of the national headquarters of the Japanese Association for Japan-China Friendship, told Li that many proposals and arrangements were made at the three-day conference to promote the development of the friendship.

He also handed Li a donation of eleven million Japanese yen to the flood-stricken areas in China, which was collected in various parts of Japan.

#### Japan To Consider Emperor Visit 'Next Autumn'

OW0212064491 Beijing XINHUA in English  
0555 GMT 2 Dec 91

[Text] Tokyo, December 2 (XINHUA)—The Japanese Government will consider a visit by Emperor Akihito and Empress Michiko to Beijing next autumn to mark the 20th anniversary of the restoration of diplomatic relations between the two countries, Foreign Minister Michio Watanabe said today.

The occasion of the 20th anniversary will be a good time for the imperial couple to visit China, Watanabe said.

Watanabe, also Japan's deputy prime minister, made the remarks at a session of the House of Representatives' ad hoc committee debating the U.N. Peacekeeping Cooperation bill.

China extended an invitation to the Japanese imperial couple for the visit through Foreign Minister Qian Qichen when he visited Japan in June this year.

#### DPRK Army Minister Visits Guilin 27-30 November

HK0212102591 Nanning Guangxi People's Radio  
Network in Mandarin 1130 GMT 1 Dec 91

[Text] Vice Marshal O Chin-u, member of the Korean Workers Party Political Bureau Presidium and minister of the DPRK People's Armed Forces, and his wife and party arrived for a visit in Guilin by a special plane on the afternoon of 27 November, accompanied by General Chi Haotian, PLA chief of staff, and wife; and Major General Fu Jiaping, Defense Ministry Foreign Affairs Bureau chief, and wife.



Upon their arrival in Guilin, the Korean guests were warmly received by local military and governmental leaders.

On the evening of 28 November, Guangxi Military District Commander Wen Guoqing hosted a banquet in honor of the distinguished Korean guests in Rongfu Hotel, Guilin. The banquet was permeated with a warm atmosphere. Both hosts and guests proposed a toast to the everlasting militant friendship cemented with blood between the two countries and armies.

On the evening of 29 November, Vice Marshal O Chin-u, Chief of Staff Chi Haotian, and others watched in Guilin Lijiang Theater a theatrical performance specially presented by the Guangxi Military District. Before the performance, they met with leaders at the divisional level and above from units garrisoned in Guilin.

During their visit in Guilin, the Korean guests also went sightseeing in many scenic spots, including Ludi Grotto, Qixing Park, and the Li Jiang. They highly appreciated Guangxi's beautiful scenery and warm reception.

The Korean guests ended their Guilin visit at noon on 30 November and flew to Xian.

#### **Commentary on Recent DPRK Nuclear Initiative**

*HK0212093291 Beijing RENMIN RIBAO in Chinese  
1 Dec 91 p 6*

["Commentary" by Xu Baokang (1776 1405 1660): "Good Foundation for Settling Nuclear Issue on Korean Peninsula"]

[Text] Today, eliminating the nuclear threat on the Korean peninsula has become one of the urgent tasks for relaxing the peninsula situation, facilitating dialogue between the north and south of Korea, and safeguarding peace and security in Asia and the world. On 25 November, the [North] Korean Foreign Ministry forwarded a four-point initiative on the signing of a nuclear safeguards agreement, explaining the Korean Government's posture on nuclear investigation, nondevelopment of nuclear weapons, and the establishment of the Korean peninsula nuclear-free zone. This is conducive to the proper handling of the nuclear issue on the Korean peninsula by way of peaceful dialogue.

For many years, the nuclear issue on the Korean peninsula has always been one of the central points of the sharp confrontation between Korea and the United States, and between the north and south of Korea. After the Korean war, the United States, in violation of the armistice, stationed troops and deployed nuclear weapons in South Korea, aggravating tension on the Korean peninsula. In order to eliminate the nuclear threat and safeguard peace on the peninsula, the Korean Government became a signatory to the international nuclear nonproliferation treaty in 1985 and issued a statement the following year, proposing turning the Korean peninsula into a nuclear-free peace zone and

declaring that Korea would not experiment on, produce, store, or import nuclear weapons. The statement appealed to the United States to withdraw the nuclear weapons it had deployed in South Korea.

Just when the Korean Government was making active efforts toward the establishment of a peninsula nuclear-free zone, the U.S. Government kept spreading the idea that Korea was probably developing nuclear weapons. The Korean Government denied this accusation, but the Western countries, including the United States, continued to pressure Korea in an attempt to force Korea to sign the nuclear safeguards agreement and accept international nuclear investigation. President Kim Il-song emphatically pointed out: It is unfair for some people to try to impose nuclear investigation on the north side only; the north has no wish or ability to develop nuclear weapons and is therefore not against nuclear investigation; should nuclear investigation start, both North Korea and the nuclear bases in South Korea ought to be put under investigation simultaneously. Because of the discord between the two confronting sides, the nuclear issue on the Korean peninsula went into an impasse.

As the situation in the Asia-Pacific region started moving toward detente, the Korean Government once again forwarded the proposal for the Korean peninsular nuclear-free zone in July this year. On 27 September, U.S. President Bush declared that the United States would withdraw its nuclear weapons from South Korea. Afterward, on 8 November, South Korea also presented a proposal for making the Korean peninsula nuclear free and came out with a declaration of five principles, i.e., refraining from producing, retaining, storing, disposing, or using nuclear weapons. Recently, Korea forwarded the new four-point initiative on the signing of nuclear safeguards agreement. South Korea followed up by agreeing to simultaneous investigation of the nuclear facilities in South and North Korea. The international community generally believes that the proposals from the United States and the two sides in Korea have provided a good foundation for the settlement of the nuclear issue on the peninsula.

All relevant parties should start dialogue as soon as possible, reach a common understanding through negotiation, and adopt practical measures and steps to bring an early solution to the nuclear issue on the Korean peninsula, turn the peninsula into a nuclear-free peace zone, and contribute to peace and stability in Asia and the world.

#### **Southeast Asia & Pacific**

##### **Diplomat: Qian Qichen Visit to Cambodia Postponed**

*BK3011123691 Hong Kong AFP in English  
1230 GMT 30 Nov 91*

[Text] Phatthaya, Thailand, Nov 30 (AFP)—A visit of Chinese Foreign Minister Qian Qichen to Cambodia has



been postponed and no new dates set, a senior Chinese diplomat said here Saturday.

Fu Xuezhang said the postponement of the visit, which was to take place December 5 and 6, was due to unspecified "technical reasons."

But the Beijing decision comes after the attack Wednesday in Phnom Penh by a lynch mob against leaders of the Khmer Rouge, of which China is the main ally.

#### **Preparations Set for New Cambodia Representative**

HK2911150691 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1216 GMT 29 Nov 91

[By correspondents Luo Ping (7482 1627) and Hu Limin (5170 7787 2404)]

[Text] Cambodia, 29 Nov (ZHONGGUO TONGXUN SHE)—Fu Xuezhang, China's highest representative to the Cambodian Supreme National Council, will be arriving in Cambodia on Sunday [1 December]. Preparation work for the representative office is in full swing.

China appointed Fu Xuezhang, an expert on Cambodia, as the highest representative to the Cambodian Supreme National Council. Now 51, Fu Xuezhang was born in Henan, speaks perfect Cambodian and was once consular official at the Cambodia-based embassy in the 1960's. In the 1980's he was political counsellor in charge of Cambodian affairs at the embassy in Bangkok.

The Chinese Embassy building was returned to China on the 18th of this month. The building had been converted by the national defense department of the Phnom Penh regime into a hotel, named "Hotel 13th October," was attached to the national defense department, and most recently had been occupied by the United Nations peace-keeping force sent to Cambodia. As Fu Xuezhang is arriving shortly at the representative office to take up his duties, most of the UN troops have left, with the rest expected to leave by next week, returning to China the main building of the representative office. The Chinese side is sending people to renovate the building. Seven or eight Chinese officials are working at the office. The staff will increase to more than 10 later when Fu Xuezhang formally assumes office.

#### **Meets Sihanouk**

OW3011152191 Beijing XINHUA in English  
1458 GMT 30 Nov 91

[Text] Phattaya, Thailand, November 30 (XINHUA)—Chairman of the Supreme National Council of Cambodia (SNC) Samdech Norodom Sihanouk held friendly talks here this evening with Chinese representative to the SNC, Fu Xuezhang.

During the meeting, Sihanouk received a copy of Fu's copy of mandat signed by Chinese Premier Li Peng.

Sihanouk said he was very happy that Fu has been assigned to this post and promised to provide every possible assistance to Fu during his term of office.

Sihanouk said an official presentation of Fu's mandat to the SNC will be held in Phnom Penh, but asked Fu to start his official mission right now.

Fu is on his way to Phnom Penh and has been invited to attend the special SNC meeting to be held here on December 3.

#### **Sihanouk Confident of Phattaya Meeting Success**

OW3011124391 Beijing XINHUA in English  
1223 GMT 30 Nov 91

[Text] Phnom Penh, November 30 (XINHUA)—Samdech Norodom Sihanouk said here today he believes the next Phattaya meeting of the Supreme National Council of Cambodia (SNC) will be a success.

Samdech Norodom Sihanouk, chairman of the SNC, expressed his confidence this afternoon before leaving for Thailand to attend the SNC meeting in Phattaya, a coastal resort city about 150 kilometers southeast of Bangkok.

He told reporters at the airport, "the Phnom Penh side has taken various measures to ensure the safety of leaders and the delegation of the democratic Kampuchean side so that they can carry out their work in a normal working environment there."

He recalled that Khieu Samphan and Son Sen had told him today they would return to Phnom Penh and work together with other SNC members.

He said the third Phattaya meeting will be as successful as the first and the second one. The Phattaya meeting is scheduled to take place December 3-5.

#### **Arrives in Phattaya**

OW3011155091 Beijing XINHUA in English  
1523 GMT 30 Nov 91

[Text] Phattaya, Thailand, November 30 (XINHUA)—Chairman of the Supreme National Council (SNC) of Cambodia, Samdech Norodom Sihanouk, arrived here this evening from Phnom Penh to preside over the next SNC meeting scheduled for December 3.

Talking to reporters upon his arrival, Sihanouk said the main purpose of the special SNC meeting is to discuss the safety issue for the Democratic Kampuchean leader Khieu Samphan and his mission in Phnom Penh.

Khieu, a member of the SNC, was forced to return to Bangkok from Phnom Penh Wednesday following a bloody incident there in which he was attacked and injured.

"All sides must abide by the provisions of the Paris peace agreements, but at the moment the safety for Mr. Khieu Samphan must be (dealt with) first," Sihanouk pointed out.

He said he will ask the U.N. advanced mission in Cambodia to provide protection for Khieu and his mission.

Sihanouk told reporters that at a meeting this morning in Phnom Penh, Hun Sen, a member of the SNC, told him that the Phnom Penh side has already taken measures for the safety of Khieu Samphan and his party.

Khieu and his party will stay at the government guest house which will be protected by police and armed personnel, Sihanouk said.

The SNC chairman added that he had received a message from Khieu Samphan today saying he and his mission will go to Phnom Penh as soon as possible.

The SNC meeting was originally scheduled to take place in Phnom Penh on December 4. However, because of the bloody incident in Phnom Penh, the meeting venue has been changed to Phatthaya, a resort city 150 kilometers to the southwest of Bangkok.

The previous two SNC meetings were held here in June and August this year.

#### Discusses SNC Security Measures

BK0112135791 Beijing Radio Beijing in Cambodian  
1030 GMT 1 Dec 91

[Text] On 30 November in the Thai city of Phatthaya, Samdech Norodom Sihanouk, chairman of the Supreme National Council (SNC) of Cambodia, said Mess. Hun Sen and Chea Sim had promised him that they would make the necessary security arrangements for Mess. Khieu Samphan and Son Sen by assigning police and armed forces to give maximum security for the members of the SNC and their entourage while they are staying in Phnom Penh.

Samdech Norodom Sihanouk arrived in Phatthaya City on the afternoon of 30 November to preside over a special SNC meeting to be held in the Thai seaside city of Phatthaya on 3 December.

At a hotel where he is staying, Samdech Norodom Sihanouk told reporters that this round of meetings at Phatthaya will include important discussions on measures to ensure security for the party of Democratic Kampuchea delegation and the issue related to the implementation of the peace accord. He said, with the Phnom Penh side's abovementioned assurances, Mr. Khieu Samphan told him on 30 November that he and Mr. Son Sen will return to Phnom Penh in the near future to attend a meeting of the SNC. This is the reason the samdech firmly expressed the belief that the third round of Phatthaya talks will succeed.

Samdech Norodom Sihanouk added that he had invited the special envoy of the UN secretary general, the cochairmen of the Paris conference, and representatives of the five permanent members of the UN Security Council to this round of SNC meetings as well.

On the night of 30 November, Samdech Sihanouk hosted a reception in Phatthaya especially in honor of Mr. Khieu Samphan.

Personages attending the banquet disclosed that at the reception, Samdech Norodom Sihanouk expressed regret at the violent incident in Phnom Penh on 27 November.

Mr. Khieu Samphan said he wanted to go back to Phnom Penh to work with other SNC members to implement the peace accord on Cambodia. Yet, he indicated that he would not return to the capital city unless he received absolute assurances for his safety.

#### Near East & South Asia

##### Jiang Zemin Meets Indian Delegation, Views Ties

OW3011103391 Beijing XINHUA in English  
0943 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party, expressed hope today that the traditional Sino-Indian friendship will be strengthened.

Jiang met with a delegation from the Indian National Congress—the Indira Gandhi Party—this morning at Zhongnanhai here.

Jiang said to V.N. Gadgil, the leader of the delegation and a member of the party's working committee, that the Chinese Communist Party and the Chinese Government and people have always attached great importance to developing the traditional friendship with the Indian people.

The general secretary said that economic, cultural, and scientific and technological contacts between the two countries have developed smoothly since the late Indian Prime Minister Rajiv Gandhi visited China in 1988.

"It is our view that the development of good neighborly ties and friendly relations between the two countries not only conforms to the fundamental interests of both countries, but is also of great significance to peace in Asia and the world," said Jiang.

According to Jiang, the healthy development of the friendly relations between the Chinese Communist Party and the Indian National Congress have played an important role in promoting relations between the two countries.

"We sincerely hope the two parties will increase the frequency of contacts in order to deepen mutual understanding," he added.

Jiang said that the five principles of peaceful co-existence initiated by the leaders of the two countries embody basic principles which should guide new-type international relations.

The general secretary said that China favors using the five principles of peaceful co-existence to guide state-to-state relations.

Gadgil, the former general secretary of the Indian National Congress, expressed great satisfaction in noting the friendly relations between the two countries and the two parties. He said these relations have continued to grow, particularly since the late Prime Minister Rajiv Gandhi visited China in 1988.

The Indian guest also expressed hope that friendly relations between the two parties, two countries and two peoples will continue to develop and will achieve even greater successes.

Gadgil presented Jiang with an invitation to visit India from Indian Prime Minister P.V. Narasimha Rao, who is also president of the National Congress. Jiang expressed thanks for the invitation.

Zhu Liang, a member of the Communist Party of China Central Committee, and head of the International Liaison Department of the Central Committee, attended the meeting.

#### **Tunisian President Announces Intention To Boost Ties**

OW2911222491 Beijing XINHUA in English  
2035 GMT 29 Nov 91

[Text] Tunis, November 29 (XINHUA)—Tunisian President Zine El-Abidine Ben Ali said today that his country wants to boost its relations of friendship and cooperation with China, the Tunisian news agency reported.

The president made the remarks when meeting with Chedli Neffati, secretary-general of Tunisia's ruling Democratic Constitutional Rally party, who is to pay an official visit to China within the next few days.

The visit is designed to bolster traditional friendship and cooperation between the Destour party and the Chinese Communist Party as well.

Ben Ali said that Tunisia is determined to further develop the bilateral relations in the interests of the two peoples.

#### **Tunisian Official on Restoring Palestinian Rights**

OW0112213191 Beijing XINHUA in English  
2004 GMT 1 Dec 91

[Text] Tunis, December 1 (XINHUA)—The restoration of the Palestinian people's rights is a main condition for the establishment of a just and lasting peace in the Middle East, said a Tunisian top official here today.

In an interview with XINHUA before his departure for an official visit to China, Chadli Neffati, secretary-general of the ruling party—the Democratic Constitutional Rally, said Tunisia firmly supports the restoration of the Palestinian people's rights.

He predicted that the Middle East peace process would be difficult and take a long time.

It is to be regretted that Israel's stand is designed to set obstacles to the true aspirations for peace of the Palestine Liberation Organization and all the other parties concerned in the Middle East dispute, he said.

He noted that his party is encouraged by the start of the Middle East peace talks, and hoped the talks would bring peace and harmony to the region.

Neffati asserted that the forces of peace would eventually triumph, and pledged Tunisia's continued efforts to make the peace process succeed.

#### **Arrives, Meets Li Peng**

OW0212125691 Beijing XINHUA in English  
1234 GMT 2 Dec 91

[Text] Beijing, December 2 (XINHUA)—Chinese Premier Li Peng today said that he believed the existing friendly relations of cooperation between China and Tunisia will further develop.

Li made the remark at a meeting here today with a delegation from the Democratic Constitutional Assembly Party of Tunisia, led by party General Secretary Chadli Neffati.

The visitors arrived here earlier today at the invitation of the Chinese Communist Party (CPC) Central Committee.

According to an official from the International Liaison Department of the CPC Central Committee, Li said that the two countries' relations have seen smooth development in various fields since the establishment of diplomatic relations nearly 30 years ago.

He described Tunisian President Ben Ali's visit to China last April as having played an important role in furthering the friendship and cooperation between the two countries.

He said that the two countries have conducted fruitful cooperation in the political, economic, cultural and scientific fields and their cooperation is extending to other fields.

Li told the visitors that China enjoys political, economic and social stability and the decade-old reform and opening to the outside world have made remarkable successes.

Reaffirming China's consistent policy of giving top priority to agriculture, Li said that the Eighth Plenary



Session of the 13th party Central Committee which ended three days ago adopted important decisions on agriculture and rural work.

One of the important results of the plenum, Li said, is the reaffirmation of the dual management system which combines unified management with independently-contracted operation in the rural areas.

He expressed conviction that the deepening of the rural reform will bring about even greater development of China's agriculture.

Neffati said that owing to the efforts of the leaders of Tunisia and China, relations between the two countries and the two parties have enjoyed great development. He added that President Ben Ali attaches great importance to developing friendly relations with China.

Present at the meeting was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

#### **Diplomat Expresses Support for Palestinian People**

*OW2911153891 Beijing XINHUA in English  
1438 GMT 29 Nov 91*

["China Supports Just Struggle of Palestinian People"—XINHUA headline]

[Text] Beijing, November 29 (XINHUA)—Veteran diplomat Han Xu reiterated a long-standing Chinese position this evening by saying: "We once again express our support for the Palestinian people in their struggle to regain their legitimate national rights."

Han, president of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) said, "We maintain that the occupied Arab lands should be returned, and the legitimate national rights of the Palestinian people should be restored."

Han was speaking tonight at a reception in Beijing which was hosted by his association to mark "the international day for solidarity with the Palestinian people."

Han said that the sovereignty and security of all countries in the Middle East, including Israel, should be respected and guaranteed.

China hopes that the Arab and Jewish nations in the Middle East would ultimately live in harmony, he added.

According to Han, without a settlement of the Palestinian question there would be no peace and stability in the Middle East, and the peace and development of the entire world would be in serious jeopardy.

Yusuf Rajab, the Palestinian ambassador to China, expressed his appreciation for the support China has given to the Palestinians. Among the over 100 people attending the reception were Seypidin Aze, vice-chairman of the National People's Congress Standing Committee, Vice-Foreign Minister Yang Fuchang, Li

Chengren, deputy head of the International Liaison Department of the Chinese Communist Party Central Committee, as well as Palestinian experts and students in Beijing.

### **West Europe**

#### **Qian Qichen Meets Visiting Cypriot Minister**

*OW0212040491 Beijing XINHUA in English  
0338 GMT 2 Dec 91*

[Text] Beijing, December 2 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen met with Khristodoulos Veniamin, minister of the interior and acting minister of foreign affairs of Cyprus, and his party here this morning.

During the meeting, Veniamin handed to Qian a check of 10,000 U.S. dollars as a donation to China's flood-hit areas and asked Qian to deliver it to the China National Committee for the International decade for natural disaster reduction. Qian thanked the Cypriot Government for the donation.

Veniamin and his party arrived here November 23 at the invitation of Tao Siju, Chinese minister of public security. They also visited south China's Kunming and Guangzhou in addition to Beijing.

#### **UK Minister Gets 'Partial Reply' on Prisoners**

*HK3011043191 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Nov 91 p 10*

[By John Kohut in Beijing]

[Text] China has made a partial reply to a list of political prisoners presented by British Premier Mr John Major during a visit to Beijing in September, said Lord Caithness, the British minister responsible for Hong Kong affairs.

Lord Caithness was told four people on the list had never been in custody, five had been released, 25 had been sentenced for crimes and one was undergoing "education through labour".

Two on the list could not be identified because of lack of accurate information, said Lord Caithness.

However, the Chinese have so far refused to match those names to the categories in their report to the British Government, even though they have the information to do so.

Lord Caithness raised the cases of four Hong Kong residents imprisoned in China in talks with Beijing leaders, including Foreign Minister Mr Qian Qichen, Vice Foreign Minister Mr Tian Zengpei, Vice Premier Mr Zou Jiahua and Mr Lu Ping, Director of the State Council's Hong Kong and Macao Affairs Office.

One of the four, Lau Shan-ching, is due to be freed next month after completing a 10-year jail sentence for counter-revolutionary crimes.

There was no information on the others.

The Chinese restated their view that the basic human right was that of subsistence. Lord Caithness told the Chinese officials he saw no inconsistency between that and other rights.

The Chinese officials also expressed concern about Mr Major's decision to meet the Dalai Lama in London on December 2, and made clear it was best that the meeting not proceed.

Lord Caithness told them this was a "spiritual" meeting, not a political one. It did not mean Britain was changing its view that Tibet was a part of China, he said.

Mr Major did not receive the Dalai Lama in March during his last visit to Britain in order not to endanger delicate talks underway with China over the new Hong Kong airport.

"It's now right for the Prime Minister to meet the Dalai Lama," Lord Caithness said.

The British ambassador to China, Sir Robin McLaren, said the meeting was a demonstration of Britain's concern about human rights in Tibet.

On Hong Kong's new Court of Final Appeal, Lord Caithness said: "I think there's an immense advantage to getting the Court of Final Appeal before 1997."

The Chinese officials stated their worries about the United Democrats and their calls for overthrowing the Chinese Government.

"They are worried about these people holding office" in Legco, Lord Caithness said.

—The New York-based human rights group, Asia Watch, urged Beijing to drop all charges against student leader Zhai Weimin who reportedly went on trial on Thursday.

#### **Leaves Beijing For Other Cities**

OW0112034991 Beijing XINHUA in English  
0230 GMT 01 Dec 91

[Text] Beijing, December 1 (XINHUA)—British Minister of State for Foreign and Commonwealth Affairs Lord Caithness and his party left here early today to visit Xian, Shanghai and Guangdong Province.

Lord Caithness arrived here on November 27 at the invitation of Chinese Vice-Foreign Minister Tian Zengpei.

During Caithness' stay here, he and his Chinese counterpart held talks. Chinese Vice-Premier Zou Jiahua, Chinese State Councillor and Foreign Minister Qian Qichen, and director of the Hong Kong and Macao Affairs Office under the State Council Lu Ping met with Caithness respectively.

Both sides exchanged views on bilateral relations, including the Hong Kong issue, and international issues of common concern.

#### **Latin America & Caribbean**

##### **Qian Qichen Seeks Uruguayan Support on GATT**

HK2911110491 Beijing CHINA DAILY in English  
29 Nov 91 p 1

[By staff reporter Yang Wenhua: "Qian Seeks Aid in Resuming GATT"]

[Excerpt] Chinese Foreign Minister Qian Qichen met with a wool trade delegation led by Uruguayan Vice-Foreign Minister Eduardo Mezzera yesterday in Beijing.

The two leaders exchanged opinions about the bilateral wool trade and China's resumption of its position in the General Agreement on Tariffs and Trade (Gatt).

Mezzera said that their visit to China aimed to promote not only the Uruguayan wool industry and trading but also the friendship and understanding of the two nations.

Qian noted the importance of Sino-Uruguayan relationships. He said China appreciates Uruguay's support in the past, and hoped the nation will go on supporting China in its bid to resume its proper position in Gatt.

Qian said that China also welcomes economic and personnel intercourse with Paraguay and other Latin American countries, and said he hoped Uruguay would spread the word about China to the other countries in Latin America.

Mezzera said that Uruguay wants to see China take part in Gatt. He said it is time to examine if Gatt can solve problems in international trade, adding that Uruguay is optimistic about the next negotiations. [passage omitted]

##### **Colombian Minister Meets Public Security Group**

OW3011001191 Beijing XINHUA Domestic Service  
in Chinese 0451 GMT 28 Nov 91

[By reporter Wang Caiyu (3076 2088 6235) ]

[Text] Bogota, 27 Nov (XINHUA)—Colombian National Defense Minister Rafael Pardo Rueda met here this afternoon with a Chinese public security delegation led by vice minister of Public Security Jiang Xianjin.

Minister Pardo Rueda expressed greetings to the Chinese public security delegation which is visiting on the occasion of the 100th anniversary of the Colombian police's founding. He said the Colombian police needs to step up the exchange of experience and skills with the police of all countries, and hopes to strengthen cooperation between the police of Colombia and China.

The Chinese public security delegation arrived here today for a good-will visit at the invitation of the Colombian National Police Headquarters. The delegation will leave here on 1 December for a visit to Cuba.

**Argentine Foreign Ministry Secretary Visits Tianjin**

SK2911065591 Tianjin TIANJIN RIBAO in Chinese  
9 Oct 91 p 4

[Text] At noon on 8 October, at the Hyatt Hotel, Song Pingshun, vice mayor of Tianjin Municipality, cordially met with Ali Arturo Guadani [name as published],

secretary in charge of state affairs under the Ministry of Foreign Affairs in Argentina, and his entourage.

Guadani and his entourage arrived in Tianjin for a visit on the morning of 8 October. While meeting with the guests on 8 October, Song Pingshun extended a welcome to the guests, and briefed them on the situation in Tianjin. He said: The current visit by Guadani will certainly promote friendship between the peoples of the two countries as well as the relations between the governments of the two countries, and will certainly strengthen the economic contacts between Tianjin and Argentina. Guadani also acquainted the guests with the situation in Argentina.

## Political & Social

### Party Plenum Convocation, Results Supported

#### Advisory Commission Communique

OW3011091591 Beijing XINHUA Domestic Service  
in Chinese 0433 GMT 30 Nov 91

["Communique of the Eighth Plenary Session of the CPC Central Advisory Commission"—XINHUA headline]

[Text] Beijing, 30 Nov (XINHUA)—Communique of the Eighth Plenary Session of the CPC Central Advisory Commission

(29 November 1991)

The Central Advisory Commission elected by the 13th CPC National Congress held its Eighth Plenary Session in Beijing on 29 November 1991. Attending the meeting were 167 members of the commission. Comrade Bo Yibo, vice chairman of the Central Advisory Commission, presided over the meeting.

The plenary session unanimously supported the "Decision of the CPC Central Committee on Further Strengthening Agriculture and the Work in Rural Areas" and the "Resolution on the Convening of the 14th National Congress of the Communist Party of China," deliberated and adopted by the Eighth Plenary Session of the 13th CPC Central Committee. It was in complete agreement with the important speech delivered by Comrade Jiang Zemin at the plenary session of the CPC Central Committee.

The plenary session held that the "decision" has fully affirmed the historic achievements in rural reform and construction during the 1980's, truthfully pointed out existing problems, further clarified China's major tasks, as well as relevant principles and policy measures, in agricultural and rural work in the 1990's, and fully reflects the common aspirations of the people of all nationalities across the country; it is a document of great significance in guiding and mobilizing the whole party and the broad masses of the cadres and the people to further create a new situation for our rural work and to build a new countryside of socialism with Chinese characteristics.

The comrades present at the meeting pointed out: Of China's population of 1.1 billion, 900 million people live in rural areas. Nation-wide stability and development are not possible without stability and development in rural areas. The political, economic and social situation in rural areas has a direct bearing on the future and destiny of China's great socialist cause. We must, with a high degree of a sense of political responsibility, join people throughout the country in working hard to implement the "decision" adopted by the plenary session of the CPC Central Committee, and to promote China's rural reform and construction in an all around way.

The plenary session held that the 14th CPC National Congress to be convened in the fourth quarter of 1992 will be a very important meeting in the course of China's socialist modernization drive, as well as a historic meeting for continuing to push forward the great cause of building socialism with Chinese characteristics advocated by Comrade Deng Xiaoping. The plenary session believes that we certainly can overcome difficulties on the way ahead and win new victories in socialist modernization and in reform and opening to the outside world, so long as all the comrades in the party rally closely around the party Central Committee with Comrade Jiang Zemin at the core; continue to adhere to and comprehensively implement the party's basic line; work hard to make the country prosperous; strengthen ties with the people; and do a good job of party building in terms of ideology, organization and style of work.

#### Discipline Inspection Communique

OW0112030091 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 30 Nov 91

["Text" of communique issued by the Eighth Plenary Session of the CPC Central Discipline Inspection Commission; from the "News and Press Review" program]

[Text] The Eighth Plenary Session of the CPC Central Commission for Discipline Inspection was held in Beijing on 29 November 1991. Sixty-three members of the CPC Central Commission for Discipline Inspection attended the plenary session. Comrade Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and secretary of the CPC Central Commission for Discipline Inspection, presided over the plenary session.

The participants in the plenary session unanimously supported the decision of the CPC Central Committee adopted at the Eighth Plenary Session of the 13th CPC Central Committee on further strengthening agriculture and work in rural areas, unanimously supported the resolution on the convening of the 14th National Congress of the CPC, and fully agreed with Comrade Jiang Zemin's important speech made at the closing meeting of the Eighth Plenary Session of the 13th CPC Central Committee.

The plenary session held that the decision of the CPC Central Committee on further strengthening both agriculture and work in rural areas has fully summed up the achievements and experiences of the party's leadership of the broad masses of peasants in building a new socialist countryside with Chinese characteristics over the past 11 years, and has penetratingly explained the general goal of socialist construction and reform in our country's rural areas, the main tasks, and a series of basic rural policies—such as the responsibility system which is mainly in the form of household contracts linking output to payment. The decision is an important historical document by our party for guiding rural work and promoting the development of agriculture in the future.



The plenary session held that the great reform in the vast rural areas since the Third Plenary Session of the 11th CPC Central Committee is a great pioneering work of the Chinese communists, by Comrade Deng Xiaoping, in integrating the basic principles of Marxism with the specific conditions in China in the new historical period. The historical changes in China's rural areas, and the great accomplishments in rural construction and reforms, fully demonstrate the total correctness of the party's basic rural policies and of the direction of rural reform. These changes also show the determination and creativity of the millions of Chinese peasants in their support for and trust in the party, and in adhering to the path of socialism.

The plenary session called on party committees and commissions for discipline inspection at all levels to penetratingly implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and to strengthen the party's work of discipline inspection in rural areas. It is essential to firmly adhere to the guiding ideology of serving the party's basic line, the four cardinal principles, and the policies of reform and opening up to the outside world; maintain the party's political discipline; guarantee a high degree of ideological and political unity of the entire party; and ensure the smooth development of economic construction. It is essential to conscientiously strengthen the construction of party organizations and leading groups at the grass-roots level, as well as party style and discipline in rural areas. Improvements must be made in the work style and methods of rural party cadres, and in deepening the education on party style and discipline among party members in rural areas so as to constantly increase their party consciousness and their sense of discipline, as well as their initiative in carrying out the party's basic line and various principles and policies. It is essential to coordinate with concerned departments to properly solve problems which have evoked strong reactions from the masses, and to further improve the relationships between the party and the masses as well as between the cadres and the masses. It is essential to adhere to the policy of strictly running the party; of launching in-depth struggles against corruption; of seriously correcting unhealthy tendencies; of seriously investigating and handling cases of violating discipline found within the party; of establishing and improving various rules, regulations, and systems; and of making new contributions to the building of socialism with Chinese characteristics.

The plenary session called on discipline inspection organizations and discipline inspection cadres at all levels to seriously study and fully implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee under the leadership of the party Central Committee, with Comrade Jiang Zemin as its nucleus; to further emancipate their mind; to seek truth from the facts; to go deep into the realities of life and the masses; to do their own jobs well in a solid manner; and to greet the victorious convocation of the 14th CPC National Congress with concrete achievements.

## Press Examines CPC Plenary Session, Decisions

### 'New Situation' in Rural Work Urged

CM0212161291 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 30 Nov 91 p 1

[RENMIN RIBAO 30 November editorial: "Work Hard To Create a New Situation for Agricultural and Rural Work"]

[Text] Beijing, 29 November (XINHUA)—The Eighth Plenary Session of the 13th CPC Central Committee has closed victoriously. While how to further improve the nation's large and medium-size enterprises was the main topic of discussion on the agenda of the recent working conference of the CPC Central Committee, comprehensive study of agricultural and rural work were the main topics on the agenda of the Eighth Plenary Session of the 13th CPC Central Committee. The fact that two important meetings—one about industry and one about agriculture—have been held within two months fully shows that the CPC Central Committee has been concentrating its efforts on implementing the basic line characterized by "one center and two basic points" [one center: economic construction; two basic points: a) upholding the four cardinal principles, and b) upholding the general policy of carrying out reforms, opening to the outside world, and rejuvenating the economy], and that it has a firm grip of the central task—namely, economic construction—and has been devoting itself wholeheartedly to building a socialist society with distinctive Chinese characteristics.

The "CPC Central Committee Decision Concerning the Several Issues of Improving Agricultural and Rural Work" adopted by the Eighth Plenary Session fully sums up the achievements China made in agricultural and rural work during the 1980's. It sets forth the main tasks for the 1990's, elucidates the series of general and specific policies, and calls on all party members and people of all nationalities in the country to work hard to create a new situation for agricultural and rural work in China while achieving the second-step strategic objective of national economic and social development in all areas. The "decision" is a programmatic document which will guide the nation's agricultural development and rural work for a long time to come.

To implement the "decision," we must, first of all, understand the importance of agricultural and rural work. The "decision" points out: "Agriculture is the foundation of economic development, social stability, and national independence. Peasants and rural issues have always been underlying issues of revolution and construction in China. Without stability and overall progress in rural areas, overall social stability and progress will not be possible; before the peasants have a comparatively comfortable life, people in the country will not be comparatively well-off; and without agricultural modernization, the modernization of the national

economy as a whole will not be possible." These judgments are based on historical experiences, and they are totally in line with China's situation. "As far as the people are concerned, food is the most important thing." In our big country with over 1.1 billion people, the issue of feeding the people must be the first thing that has to be considered. No one ruling class in the dynasties before the founding of the People's Republic of China could solve this problem. In our socialist society today, China, which has 7 percent of the world's arable land, has fed 22 percent of the global population. Having had their basic needs in clothing and food resolved, the people are now heading toward a new goal. Making a success in agricultural and rural work not only is an economic issue, but also a political issue. Comrade Deng Xiaoping has said: Upholding the socialist course "is a process of struggle and a process for persuasive education, but we have to count on our development to eventually convince those who do not trust socialism. If we are able to lead a comparatively comfortable life in this century, we can sober them up a little; and if China becomes an intermediate developed socialist country in the next century, we can make a big step forward in convincing them, and the majority of them will really understand that they have been wrong." Whether the socialist system can fully manifest its superiority lies primarily in whether it can expedite national economic development. Because agriculture is the foundation of the national economy and it is closely related to the people's livelihood, being able to expedite agricultural production is particularly significant.

Since the Third Plenary Session of the 11th CPC Central Committee, the party, based on the great initiatives taken by the peasants, has carried out in rural areas a series of major reforms on the basis of household contracts with remuneration linked to output. Rural reform, which was the prelude of China's overall reform, and which has created enormous material and spiritual wealth, is significant for guiding the restructuring of the entire economic and political systems. Ever since the Fourth Plenary Session of the 13th CPC Central Committee, the party Central Committee with Comrade Jiang Zemin as the core has been attaching great importance to agricultural and rural work. Proceeding from reality in every field and showing ample respect for the masses' creative initiatives, it has been continuing with rural reform, giving special emphasis to production commitments based mainly on household contracts with remuneration linked to output, continuing to consolidate and improve the two-tier operating system which combines unified and independent operations, and developing socialized agricultural services, thus gradually strengthening the collective economy and upgrading agricultural and rural work to its rightful strategic position. The "decision" adopted by the Eighth Plenary Session is the crystallization of the wisdom of all party members and people throughout the country. While it inherits and develops the lines, principles, and policies followed since the Third Plenary Session of the 11th

CPC Central Committee, it is a decision scientifically made on the basis of the new situation of the 1990's.

For the purpose of creating a new situation for rural and agricultural work, the "decision" calls for carrying out in-depth socialist ideological education in rural areas. We should, by launching lively education in patriotism, collectivism, and socialism, and by properly implementing party policies, resolve the rural areas' actual problems; work hard to create a generation of ethical, educated, and disciplined new peasants who have lofty ideals; and make every effort to build China's rural areas into a civilized, prosperous, and socialist new countryside. Meanwhile, we should continue to deepen the on-going education in socialist ideology in the countryside along the theme of propagating and implementing the "decision" adopted by the Eighth Plenary Session.

Building stronger party organizations is the basic guarantee for successful rural affairs. Grass-roots party organizations should become the party's fighting fortresses and leadership cores in the rural areas. Party members should be role models of the peasants. Party cadres should conduct themselves as servants who serve the people wholeheartedly and as leaders leading the people to follow the socialist course.

To implement the guidelines of the Eighth Plenary Session, we must expedite the various rural projects confronting us. This year, devastating floods have wreaked great havoc in some parts of our country, and while we have won decisive victories in combating floods and providing relief to flood victims, people in the flood-stricken areas are still hard pressed with resuming production and reconstruction. All central and local authorities should continue to support the stricken areas. Leading cadres in stricken areas should carry forward the glorious tradition of maintaining close ties with the masses, make sure their work is relevant to each and every village and household, and do everything possible to ensure the needs of all families. Irrigation facilities are long-range projects essential for a nation's stability and prosperity. The present upsurge in building irrigation facilities in various parts of the country is a gratifying scene seldom seen in years. We must display the spirit of the Foolish Old Man who removed mountains, and we must be determined to accomplish this important project which is closely related to the well-being of future generations. While preventing flooding and helping people tide over natural disasters, we must pay attention to preventing and combating drought. While making adequate arrangements for the livelihood of people in stricken areas, we must make proper arrangements for production projects at hand and next year.

Ever since the adoption of the reform and open policy, our agricultural and rural work has displayed new vitality and is full of hopes. We are convinced that, as result of implementing the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee, we certainly will create a new situation for China's agricultural and rural work.

### Stability, Prosperity Guarantee Seen

HK3011060691 Hong Kong TA KUNG PO in Chinese  
30 Nov 91 p 2

[Editorial: "Eighth Plenary Session To Solve Main Contradictions"]

[Text] This week the CPC Central Committee convened a plenary session attended by members and alternate members. Veteran revolutionaries from the Central Advisory Committee, members of the Central Discipline Inspection Commission, and people in charge of various departments concerned, also attended and sat as non-voting delegates. As a meeting of decisive importance convened by the hierarchy of China's ruling party, the plenary session drew a great deal of attention. The communique issued at the end of the plenary session yesterday sent an explicit message to outside circles: No matter how complex the situation is, the CPC will continue to adhere to economic construction as its central task and unite with the people of the whole country to further building socialist modernization in China.

The five-day plenary session had ample time to discuss both the international and domestic situations and the party's current major work issues. The communique disclosed the following two decisions: 1) On the question of further strengthening agriculture, it set out major tasks for the vast rural areas to accomplish in the 1990s; and 2) It was decided to convene the 14th CPC National Congress in the fourth quarter of 1992, to serve as a link between past and future and push ahead with building socialist modernization with salient Chinese characteristics. In fact, the Eighth Plenary Session of the 13th CPC Central Committee made necessary preparations for the convocation of the party's national congress next year, formulated a long-term plan for the party's future work, reached a high degree of consensus at the central level regarding the basic political line, and pledged to lead the whole party in striving for more excellent reform and construction achievements.

China is carrying out modernization building under circumstances complicated by both international and domestic contradictions. Some foreign observers explicitly pointed out: The plenary session was the first held by the CPC since the CPSU lost its ruling position. The drastically changing international situation has also brought new political pressure to bear on both the CPC, which is the largest Communist Party remaining in the world, and China, which is the largest socialist country remaining in the world. The way the CPC analyzed the current situation and outlined its tasks will doubtlessly exert an important bearing on the whole country. For some time in the past, due to the CPC's incorrect appraisal of both the situation and tasks, China's economic construction suffered grave setbacks. The CPC has now demonstrated its strong ability to cope with complex situations, its proficiency in handling political questions, and its capability of concentrating on the

resolution of major contradictions in face of a great many different types of contradictions. The communique reiterated: "The main contradiction in China at the current stage is that between people's ever-growing material and cultural demands and backward social production." In order to resolve this contradiction, it is all the more necessary to comprehensively implement and carry out the basic line of adhering to economic construction as the center, consolidate the political situation of stability and unity, deepen reform, expand opening up to the outside world, and concentrate efforts on successfully pushing forward economic and other types of work.

The plenary session highly praised China's tremendous achievements in rural reform and construction and set a high value on the great creation pioneered by the Chinese communists represented by Deng Xiaoping in this regard. The rural economic development has pushed forward the resolution of all major contradictions currently existing in China. The rapid growth of China's rural economy over the past 10 years and more has been universally acknowledged. Anyone who has been to the rural areas must have seen a conspicuous improvement in food and residential conditions and in transport facilities for Chinese peasants. The rural development has also advanced urban construction and reform. Cultivating 7 percent of the world's total cultivated land, China's agriculture has succeeded in feeding a population that makes up 22 percent of the world's total. This achievement itself has demonstrated the distinctive superiority of the socialist system. In order to raise China's agriculture to a new stage in the 1990's, it is necessary to enhance the agricultural productive forces, enabling more people to free themselves from land cultivation and push ahead with the modernization of the entire national economy, bring about a comparatively well-off life for the people of the whole country, and further demonstrate the superiority of the socialist system.

The Eighth Plenary Session was mainly devoted to discussing agricultural questions. It adopted a decision calling for ensuring a sustained and steady growth for the rural economy in the future in 10 respects, including affirming township and town enterprises and actively providing support and guidance for them. Viewed from Hong Kong's angle, various issues discussed and decided upon by the Eighth Plenary Session, we believe, are conducive to maintaining overall stability and promoting economic development and will promote reform and opening up. Over the past few years, Hong Kong has entered into close economic cooperation with various parts of the mainland, especially in south China. Hong Kong businessmen have also made enormous investments in both urban and suburban areas of the hinterland. Continued rural stability, sustained township and town enterprise development, and the expanded purchasing power of the broad masses of peasants in the 1990's will definitely provide more opportunities for Hong Kong's economic development. The Eighth Plenary Session has just offered such a guarantee.



**'Great Significance' of Session Noted**

HK3011054191 Hong Kong WEN WEI PO in Chinese  
30 Nov 91 p 2

[Editorial: "Eighth Plenum Is of Great Significance"]

[Text] Under the present turbulent international situation, the 13th CPC Central Committee held its Eighth Plenary Session. Focusing on agricultural issues, this plenary session examined and adopted the "CPC Central Committee Decision on Further Strengthening Agriculture and Rural Work" and the "Resolution on Convening the 14th CPC National Congress." The plenary session decided: "The 14th CPC National Congress will be held in Beijing in the last quarter of next year."

The plenary session indicated: "The 14th CPC National Congress will be of great significance to China's socialist modernization drive and will surely produce a tremendous and far-reaching influence on our efforts to expedite the great cause of building socialism with Chinese characteristics, which serves as a link between past and future. To greet the convocation of the 14th CPC National Congress, the most important thing for us to do is to: Comprehensively implement the party's basic line which centers on economic construction, upholding the four cardinal principles, and persistently carrying out reform and opening; vigorously consolidate and promote political stability and unity; continuously deepen reform and expand opening up; and concentrate our energy on and do a better job in economic work and other fields of endeavor. Persistent efforts should be made to: Run the party with strict discipline; earnestly make a success of the party-building in ideology, organization, and work style; vigorously enhance the theoretical level of Marxism-Leninism-Mao Zedong Thought as well as the political quality of the vast numbers of party-member cadres, especially leading cadres; and reinforce the unifying force and combat readiness of the party."

Before convocation of the Eighth Plenary Session, it was repeatedly said that personnel changes would be made during the plenary session. However, the communique from the meeting did not mention any personnel issues but emphasized that the entire party "is rallying closely around the party Central Committee with Comrade Jiang Zemin as the core." This shows that the CPC personnel structure remains very stable and the party Central Committee, headed by Jiang Zemin, is a strong and firm leading body which has inherited the past and ushers in the future. New blood may be added during the 14th National Congress, yet the organizational structure will enjoy continuity and the present line of reform and opening up will be upheld. The preparatory work for the 14th CPC National Congress will also be officiated by the party Central Committee with Jiang Zemin as the core.

Running the party with strict discipline is a significant measure in consolidating and promoting stability and unity. The party will set stricter demands on cadres, especially leading cadres. The plenary session called for

earnest efforts to do a good job of the party's organizational and work style building, to enable the party to solve new problems with a high degree of efficiency and lead the country's economic construction in advancing triumphantly.

Without a stable political leading core it is impossible for a big country like China, which has a population of 1.1 billion, to smoothly carry out building the four modernizations. Therefore, it is an important current task to reinforce the unifying force and combat readiness of the party. To this end, it is necessary to unify the entire party using Marxism and Mao Zedong Thought; integrate theory with practice; uphold the party's basic line; deepen reform; and open up a new situation in a creative way.

China's reform starts with the rural areas. Thanks to various responsibility systems, particularly the contract responsibility system on a household basis with remuneration linked to output, the enthusiasm of peasants has been mobilized to a great extent, China's agricultural production and township and town enterprises are flourishing, and the living standards of the people of the whole country have been improved greatly. All this has provided material conditions for our efforts to consolidate the socialist system and accelerate urban reform. In the late spring and early summer of 1989, some Western politicians hoped to see "tremendous changes" in China. However, a socialist China still stands lofty and firm facing the turbulent international situation. This is because China has started its reform early in rural areas in a correct way. When rural areas are stabilized, the situation in the entire country can maintain stability. When the living standards in rural areas are improved, the lives of the people in the entire country will improve. When encountering extraordinary natural disasters, such as the large-scale floods this year, China is still able, relying on the solid material foundation built during reform, to provide enough food to hundreds of millions of victims in disaster areas; support them in rebuilding their homes; and resume production. The plenary session summed up and reaffirmed the achievements scored in rural reform during the 1980's and drew up new tasks for rural areas in the 1990's, including deepening rural reform, readjusting the structure of rural production, rejuvenating agriculture through the application of science and technology, devoting vigorous efforts to water conservancy and basic construction for agricultural purposes, promoting the development of agricultural-use industries, and further enhancing agricultural productive forces.

With modernized rural areas, the economic modernization drive of the entire country will be provided with better conditions. This is because agricultural modernization can provide funds, raw materials, and markets and enable the national economy to accomplish a comprehensive growth, thus giving shape to a virtuous cycle between industry and agriculture. With the successful building of rural spiritual civilization, rural areas can also provide the national economy with well-educated

and fine-quality laborers. In future, with the aim of greatly narrowing the gap between urban and rural areas, governments at all levels will take steps to build highways, railways, and electric power plants for in areas.

Both China's present situation and future development prospects are encouraging. We believe that with the upcoming convocation of the party's 14th National Congress, all fronts in China will take on a new look.

### Deepening Rural Reform Viewed

HK0212121691 Hong Kong WEN WEI PO in Chinese  
2 Dec 91 p 2

[Editorial: "Deepening of Rural Reform as Viewed From Eighth Plenary Session"]

[Text] The Eighth Plenary Session of the 13th CPC Central Committee concluded last week with the adoption of the "CPC Central Committee's Communiqué on Further Strengthening Agriculture and Work in Rural Areas." This 10-part communiqué constitutes an important document for an understanding of the direction of China's agricultural and economic development.

It is noteworthy that the "communiqué" gave a high appraisal of China's rural reform, maintaining that it was a great innovation of the Chinese communists represented by Deng Xiaoping. Various rural policies formulated since the Third Plenary Session of the 11th CPC Central Committee have brought about an overall revival of the rural economy and provided material conditions as well as invaluable experiences for the introduction of urban reforms and the maintenance of social stability. The "communiqué" held that the rural reform has made "historic contributions."

The high appraisal of the rural reform not only serves as an affirmation of the reforms over the past decade, but also presents a demand for the CPC and government at all levels to place greater emphasis on agriculture and stress the need for the emancipation of the mind and seeking truth from facts. Only in this way will it be possible to ensure that economic construction will be the central task while the deepening of rural reforms are carried out under such a premise.

On the further strengthening of agriculture and work in rural areas, the "communiqué" stresses first and foremost that all fundamental rural policies "should be kept stable for a long time, substantiated, and perfected continuously." The core of this series and of the fundamental policy is the system of contracted responsibility on a household basis, with remuneration linked to output. It is this responsibility system which has manifested the special characteristics of Chinese socialism and served as a prelude to reform and opening up.

But relying on the responsibility system alone is not enough. In particular, it is obvious that the method of cultivation with the family as the basic unit is not compatible with disaster relief operations, construction

of irrigation systems, agricultural mechanization, and the application of science and technology to agriculture. Hence, the perfection of the two-level operational system and the development of a socialized service network in agriculture was defined by the "communiqué" as the principal feature in deepening rural reforms.

The so-called two-level operational system which combines centralization and decentralization can mobilize the initiative of peasant households toward production—this is the "decentralization" part; and it can also promote the collective economy—the "centralization" part. This type of operational system includes: 1) Formulation of plantation plans by collectives with the guidance of state plans. At present, this collective function is already exercised by agricultural economic cooperatives in many places in China. 2) Undertakings which are beyond the capabilities of an individual peasant household, such as mechanized tilling, sowing, watering, pesticides, flood control, and drainage, should be planned and handled by the collective. (3) Basic construction of farmland should either be overseen by the collective or handled by peasant households based on real conditions. Even as the two-level operational system ensures the independent status of the peasant household in the commodity economy as well as peasants' decision-making rights, it also carries out centralized management and operations on the basis of family operations. Hence, it allows an escape from the limitations of the responsibility system in terms of "equal farmland," contributes to a rise in the productive capacity of the countryside, and, to a certain extent, provides guarantees to the peasants.

Aside from stepping up party and state leadership as well as increasing capital input, the role of the state in the effort to deepen rural reform lies primarily in the establishment of a socialized service network in agriculture. This network includes the provision of capital credits, all kinds of information, agricultural technology, fertilizers and pesticides, quality breeds, marketing, sales and transport services, processing of agricultural products, and all kinds of services offered to town and township enterprises. The premise of a socialized service network in agriculture is the exclusive division of labor in social production and the development of a commodity economy. Therefore, the creation of such a network also serves as an impetus to the reform of the urban economic structure. At present, the socialized agricultural service networks established in various parts of China do not share the same standard. Generally speaking, the process is still in its infancy and should be accelerated by the holding of the Eighth Plenary Session.

The "communiqué" also fully affirmed the town and township enterprises, asserting that they constituted a necessary path leading to a prosperous rural economy and higher income for peasants. This is of great significance in unifying the entire party's understanding and accelerating the growth of town and township enterprises.

In China, economic development, social stability, and national independence is dependent on stability and progress in the countryside. The communique adopted by the Eighth Plenary Session concerning agriculture and work on rural areas as well as the communique issued in September at the central work conference regarding the invigoration of large and medium-sized state-run enterprises fully demonstrate the CPC's adherence to the pragmatic guideline of developing the economy wholeheartedly.

### Personnel Changes Absence Discussed

HK3011065091 Hong Kong MING PAO in Chinese  
30 Nov 91 p 2

["Special dispatch" from Beijing by staff reporter: "No Change at Top Echelon Per Deng Xiaoping's Order, Personnel Reshuffling Postponed to 14th CPC National Congress"]

[Text] The five-day Eighth Plenary Session of the 13th CPC Central Committee was concluded in Beijing yesterday, but the communique issued after the conference made no mention of high-level personnel changes, a topic of great concern for everyone and the omission of which came as a great surprise to overseas observers. This is an indication that no compromise has been reached on the bargaining within the top echelon of the CPC Central Committee concerning future successors and that the results of struggle over such personnel matters will only be revealed before the 14th CPC National Congress at the end of next year.

The convening of this Eighth Plenary Session may be said to be "a happy event strewn with setbacks" as it was plagued by the personnel issue from beginning to end. First, the date of its convening was postponed again and again. According to reliable sources, the State Council Spokesman Yuan Mu publicly announced at an internal meeting of RENMIN RIBAO in September that the Eighth Plenary Session was to be held at the end of October. But this was then changed to early November and finally postponed to the end of that month, nearly a month later than the original date. And the main reason for the postponement may be attributed reportedly to the failure of the CPC elders to reach an agreement on personnel matters.

According to sources, before the Eighth Plenary Session was held, the CPC's Political Bureau had already finalized a reshuffle list which was to be submitted for deliberations by the plenum. The promotion list decided by the top hierarchy not only called for the election of Zou Jiahua, Zhu Rongji, and Yang Baibing to the Political Bureau, but also proposed that Luo Gan, secretary-general of the State Council, and Gao Di, director of RENMIN RIBAO, be promoted from membership in the Central Committee to membership in the Central Committee's Secretariat. However, it was reported that

the Political Bureau itself had arguments over the aforementioned reshuffles and arrangements and that no decision was unanimous.

Because of differences within the top hierarchy over personnel arrangements, reports again came out of the top hierarchy in Beijing on the eve of the Eighth Plenary Session, saying that it was necessary to be cautious in considering the personnel issue as a premise to guarantee the implementation of the new economic reforms. In Beijing, some cadres believed that this latest directive came from the real top leader in China, Deng Xiaoping.

This was not the first time that Deng Xiaoping had decided high-level personnel matters for the CPC. For instance, on the eve of the NPC [National People's Congress] session held in late March this year, high-ranking personnel from the central authorities repeatedly asserted that no important personnel changes would be made, and even on the eve of the NPC presidium's meeting, there was no agenda for any personnel dismissals and appointments. But then the "big news" came out at the end that Zou Jiahua and Zhu Rongji were appointed State Council vice premiers, while Qian Qichen was promoted to state councillor. It was revealed that the key to this was that on the eve of the meeting, this "proposal" was suddenly raised by Deng Xiaoping. The result was that even high-ranking personnel became "liars" to the outside world. Consequently, some cadres in Beijing believe that the omission of personnel reshuffles at the Eighth Plenary Session was similarly based on Deng Xiaoping's wishes.

While the communique from the Eighth Plenary Session made no mention of personnel changes, it surprisingly revealed the probable date of the 14th CPC National Congress. Cadres in Beijing maintained that this was a hint of Deng Xiaoping's directive, that is, to postpone deliberations on personnel matters until the 14th CPC National Congress.

Before the 14th CPC National Congress, all provinces, cities, autonomous regions, and military regions around the country have to hold elections to choose new party delegates to the national congress. These delegates will then elect a new Central Committee at the 14th CPC National Congress. This will be the first new batch of party delegates to be elected after the 4 June incident. The elections will also serve as preparations for the training of successors "who will straddle the next century." Hence, observers in Beijing believe that starting from now, everyone within the CPC's top hierarchy will be actively picking their own successors, while the arguments over personnel matters will not only continue but will also be manifested from the grass roots to the central level.



**'New Generation' of Leaders Signaled**

HK3011023291 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Nov 91 pp 1, 8

[By Beijing Bureau Chief John Kohut and Willy Wo-lap Lam]

[Text] China's Communist Party has laid down ambitious plans to usher in a new generation of leaders who will preserve Chinese socialism while pursuing economic reform in the 21st century.

The Eighth Plenum of the party's 13th Central Committee, which ended in Beijing yesterday, decided to hold the 14th Party Congress in the last quarter of 1992, when Long March-vintage elders will finally step down.

After five days of deliberations, the Central Committee reaffirmed the reformist line set by patriarch, Mr Deng Xiaoping, in late 1978, that the party must take economic construction as its "core task".

It also published a document on agriculture policy, which pledged to maintain the rural reforms of the past decade, while at the same time strengthening the collective sector.

However, Chinese sources said the focus of the discussions was on preparations for the pivotal 14th Party Congress, especially ways and criteria for picking cadres for the new Central Committee and the Politburo.

While the plenum communique released last night revealed little about on-going preparations for the Congress, it is understood that the Central Committee had reached the consensus that only "trustworthy Marxists" should be elevated.

This is reflected by the communique's emphasis on stepping up ideological work in the run-up to the Congress.

"It is necessary to run the party strictly and earnest efforts should be made to promote the building up of the party's ideology, organisation and working style" the document said, as reported by the NEW CHINA NEWS AGENCY [XINHUA].

"There must be improvement of the understanding of Marxist-Leninist theories and Mao Zedong Thought on the part of the party cadres, the leading cadres in particular, to improve their political quality, thus enhancing the party's cohesion and combat capability," it said.

The stress on ideology reflected the party's recognition of its vulnerability in the wake of the failed coup in the Soviet Union last August.

Another key criterion for the implementation of the changing of the guard is that political stability must be maintained.

Analysts say out of a concern for cementing "inner-party cohesiveness", the Central Committee had postponed to the 14th Congress the widely expected promotion to the Politburo of Vice Premiers, Mr Zou Jiahua and Mr Zhu Rongji, and the Secretary-General of the Central Military Commission, General Yang Baibing.

A senior Asian diplomat said of the three, Mr Zou, a former Ordnance Minister who has solid ties with the military, had received the most widespread support within the plenum for further elevation.

"Zhu is admired by many for the resoluteness with which he has smashed bureaucratic taboos in luring foreign investment and revitalising state industries," he said. "But his imperial ways have raised eyebrows. And leftists point to his background as a 'rightist' in the late 1950s.

"The promotion of General Yang to the Politburo this time could be de-stabilising because his brother, President Yang Shangkun, is already the first-among-equals of the ruling body."

China analysts say in addition to the three, rising stars including Foreign Minister Mr Qian Qichen will likely be inducted into the Politburo at the 14th Congress.

They say because of the success of China's foreign policy and his solid commitment to pushing Mr Deng's "second wave of reform", the chances of Premier Mr Li Peng losing his job at the 14th Congress have diminished somewhat.

Should the economy falter, however, both Mr Zou and Mr Zhu are mentioned as a potential successor to Mr Li.

The crucial conclave will also see the departure from the Politburo and other leading bodies of senior cadres including President Yang, Vice-Premiers Mr Yao Yilin and Mr Wu Xueqian, National People's Congress Chairman Mr Wan Li, Organisation Chief Mr Song Ping, as well as Defence Minister General Qin Jiwei.

Aside from saluting patriarch Mr Deng's contributions to reform, the plenum endorsed his plan of ensuring that his handpicked successor, General Secretary Mr Jiang Zemin, would continue to be the "core" of the leadership after the 14th Congress.

The communique last night called on the CPC's 50 million affiliates "to closely rally around the party Central Committee with Jiang Zemin as its core," so that the next congress would be convened "with outstanding achievement in reform and construction".

On policy matters, there were no great surprises emerging from the plenum, which essentially reaffirmed Mr Deng's policy of economic reform coupled with tight political control.

The eighth plenum was attended by 171 Committee members and 105 alternate members. Members of the Central Advisory Commission and Central Commission



for Discipline Inspection, along with heads of several departments, also attended as observers.

Befitting his status as "leadership core", Mr Jiang made what the communique called "an important speech", but the text of his delivery was not released last night.

The main decisions on agriculture included a commitment to increase agricultural development by a big margin, stepping up the development of industries serving agriculture, and improving the application of science and technology.

Emphasis was put on "the necessity of maintaining and stabilising for a long period of time a series of basis rural policies", especially the household responsibility system. At the same time, the party committed itself to "gradually strengthen the collective sector of the rural economy".

"The material and technological foundation of China's agriculture is still comparatively weak despite its considerable development," the communique said. "The economic and social development in the rural areas as still been uneven. There are still many problems that await prompt solution."

#### **Regaining Rural 'Stronghold' Sought**

HK3011031891 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Nov 91 p 8

[By Chris Yeung]

[Text] After years of liberalisation in villages, the communist leadership is determined to regain its stronghold among the 800 million populace in the next decade of the modernisation drive.

Chinese analysts point out the paramount significance the party core attached to agriculture at the just-ended Eighth Plenum indicated Beijing's anxiety to stabilise the sentiments of the mainland peasants.

"In the past, the party central has failed to give enough attention to agricultural development. The central committee plenum is seeking to position agriculture in the national economy.

"The reaffirmation of the agricultural policies will help clear the cloud over the peasants and boost their enthusiasm in farming. This will help maintain stability in the countryside," an analyst said.

According to the "Decision of the CPC Central Committee on further strengthening agriculture and the work in rural areas," it said the household responsibility system must be "maintained and stabilised for a long period of time".

On the other hand, the party core pointed out "the collective sector of the rural economy" should also be gradually strengthened simultaneously with the continued growth of a diversified economy as well as rural enterprises.

By mapping out the key tasks in the countryside in the 10-part resolution, the ruling party seeks to revitalise the rural economy, which has shown signs of stagnation, while keeping its control in the grass-roots levels in the political arena.

The resolution says the party should strengthen the building of grass-roots organisations, step up socialist ideological education and enhance the party's leadership over the rural work.

Hardline Vice President, Mr Wang Zhen has pointed to the threats of three corrupting forces in villages—Western religion, clans and capitalist class—and lamented that villagers switched their allegiance to churches instead of the party.

In spite of a tight purse, the party has promised to increase its agricultural investment by a big margin and speed up the comprehensive harnessing of large rivers, lakes and the building of irrigation and water conservancy facilities.

Although the statement did not mention the controversial Three Gorges Dam Project, it is understood that the scheme at the Yangtze River has been discussed at the plenum.

With a 1990 price tag of 57 billion yuan (HK [Hong Kong]\$82.19 billion), the scheme is set to further strain the already-tight government treasury.

Even though the Central Committee has agreed to the project, the scheme will have to clear the final hurdle at the National People's Congress plenum next spring by convincing critics that the plan is "technically viable and economic feasible"—even under the worst scenario of a missile attack.

#### **Further 'Analysis' of Issues**

HK3011033091 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Nov 91 p 8

["Analysis" by Willy Wo-lap Lam]

[Text] Beijing has reaffirmed patriarch Mr Deng Xiaoping's line of "taking economic construction as the core" to be the best way to ensure the survival of "socialism with Chinese characteristics".

The eighth plenum of the Central Committee also endorsed a resolution on farming that tries to reconcile individual initiative with the collective approach to communal problems, including water conservancy.

However, the first Central Committee plenary session to be held since last December, failed to recommend changes to the political structure which are a prerequisite for long-term economic reform.

The plenum seemed to give legitimacy to the wholesale elevation of the offspring of senior cadres next year.

Deliberations in the five-day conclave focused on preparations for the 14th Party Congress, which will vote in a new Central Committee and preside over the retirement of the "first generation of revolutionaries".

The plenum pointed out that to make good preparations for the congress, the leadership must "insist on administering the party with the severity" and raising the "political quality" and Marxist standards of cadres and members.

Analysts say this seems to confirm the recent dictum of conservative patriarch Mr Chen Yun, that in assessing cadres for promotion, the key requirement is "political virtue and ability", with the emphasis on the former.

A Chinese source said: "There is a consensus in the Central Committee that it is legitimate to promote the sons and daughters of party elders because the 'princelings' are trustworthy custodians of Marxism."

The source said even before the failed Soviet coup in August, Mr Deng had agreed in principle to the promotion of the so-called "gang of princelings".

After the tumultuous events in the Soviet Union, the Central Committee has become even more convinced of the need to weed out potential "rightists" from leadership ranks.

Before the plenum was held, there was widespread speculation that Vice-Premiers Mr Zou Jiahua and Mr Zhu Rongji, as well as Army Chief Political Commissar General Yang Baibing would be elevated to the Politburo.

Chinese sources said one reason why this did not occur was that there was resistance to Mr Zhu's promotion.

Dubbed "China's Gorbachev", the former Shanghai mayor was labelled a "rightist" in the late 1950s and sidelined from major positions until the end of the Cultural Revolution.

In spite of the plenum's commitment to upholding the family-based "household responsibility system" in the countryside, leftist cadres are still expected to reinstate Maoist-style collectivisation on the farm.

In the run-up to the Congress, the Chinese media ran several stories extolling counties and districts that have stuck to the collective approach through the 1980s.

One article mentioned Mao Zedong's dictum about the importance of mechanisation in agriculture, hinting that household-based agriculture might make it difficult for the large-scale use of machinery.

In agriculture as well as other fields, holdovers from the Maoist era may take advantage of the stress being given "political virtue" to stage a comeback.

One example is Ms Guo Fenglian, the former chief of the Dazhai commune in Shanxi Province, which Mao had praised as the "model for agriculture".

Put to pasture for several years after Mr Deng's comeback, Ms Guo, 44, returned to Dazhai village last month as party secretary.

### Paper Reports on Popularity of Prison-Made Goods

HK3011025891 Hong Kong SOUTH CHINA MORNING POST in English 30 Nov 91 p 1

[Text] The famous Yingde brand of Chinese tea, which is processed by inmates of a Guangzhou labour camp, is being exported and there is a ready supply for overseas buyers.

A SOUTH CHINA MORNING POST inquiry also revealed that truck engines assembled by prisoners at another camp had become popular, particularly in Third World countries.

The tea, engines and a range of other products are offered for domestic sale at the Guangzhou Flower City Enterprise and Assorted Goods Shop, which is owned by the prison authority in Guangdong.

Mr Chan Ho, a shop assistant and sales representative, confirmed the tea and engines on display were made in labour camps.

"Our tea is produced in Red Star Tea Farm, which has about 1,000 prisoners working there," he said.

"The diesel lorry engines are from Liaoning labour camp (north-eastern China)."

The shop is in a cul-de-sac off Nanjing Road in Guangzhou's Si Tuan (West Village).

Next door is the detention centre where Hong Kong businessman Mr Lou Hoi-xing was held before his release in September following the visit to China of the Prime Minister, Mr John Major.

Mr Lou was arrested and imprisoned in China for nearly two years for helping pro-democracy activists to escape from the mainland.

"All the Yingde teas are manufactured in labour camps, although it is rarely known to the outside world," Mr Chan said.

"We sell our own brand mostly for internal consumption, but exports come from the same sources.

"Yingde has six to seven tea farms all over Guangdong.

"Each farm has 500 to 1,000 prisoners, making up 4,000 in total.

"We produce more than 100 tonnes of tea per annum—but don't worry about our capacity, just tell me your requirement," he said.

The tea, 250g of which is casually packed in transparent plastic bags, costs only five yuan (HK [Hong Kong]\$7.50) for locals.

One hundred grams of equivalent grade Yingde tea packed in more elaborate wrapping is sold in shops for at least 14 yuan.

When pressed about the working conditions of prisoners and allegations of beatings in labour camps, Mr Chan said inmates "work normally eight hours a day".

"They handle only the refining side of the production, not the farming side," he said.

"Prisoners are seldom beaten. There are strict rules to follow.

"All our farms are made up of male prisoners. In the case of disobedience or refusal to work, they are normally told off," Mr Chan said.

"There may be individual cases when prisoners are pushed about by hot-tempered prison officers, but it is rare that they are beaten."

Prison goods in China have become the centre of controversy in recent moves to improve Sino-American relations. In particular the issue has become a weapon for pro-democracy Senators in the U.S. seeking to use trade sanctions against China to bring about social reforms.

According to Mr Chan, some of the province's prison goods were very popular abroad.

"Our diesel lorry engines Model 4102 and 6102 are very famous in Third World countries, especially in Africa," he said.

"They are modelled on Japanese Isuzu engines, and sell for 12,000 yuan and 16,500 yuan respectively."

The engines were assembled in Ning Yuen Diesel Engine Factory in Liaoning, which had a 5,000-strong workforce.

"The prisoners only handle part of the assembly process, we still need to use skilled labour for some of the work," he said.

#### **Role of Reeducation-Through-Labor System Viewed**

HK0212093191 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0345 GMT 2 Dec 91

[By Xing Haofeng (6717 3185 1496): "China's Reeducation-Through-Labor System Helps Transform Many Young Offenders"]

[Text] Nanning, 2 December (ZHONGGUO XINWEN SHE)—China's unique reeducation-through-labor system seems to have the magic of "turning the decayed into a miracle." Li Bin, a 17-year-old student from Guangxi, is a typical example of those who have benefited from the system.

According to a government explanation, reeducation through labor is an administrative fiat of compulsory

reform through labor, which is applied to those law-breakers whose cases are not serious enough to be sentenced as criminals or can be dealt with not as criminals.

In an entrance examination to five middle schools or middle schools offering external studies in Guangxi last July, Li Bin, currently a Guilin City Middle School student who did exceedingly well and placed at the top of the list of his school's successful candidates, was an inmate of the reeducation-through-labor camp where he was detained by police for his involvement in gang theft.

In the reeducation-through-labor camp, to redeem him, the police adopted methods of education and persuasion, including offering study in culture, knowledge, common knowledge in law, and moral principles and also let him take part in moderate physical labor with an aim toward helping him realize the harmfulness of the crimes he committed. Considering Li Bin's future, after half a year, the police took the initiative in contacting a related school and arranged for him to continue his studies in the school while serving his off-campus reeducation-through-labor term. A person with a marred soul has thus been gradually helped.

Last May, according to Li Bin's good performance in repenting and turning over a new leaf, the police lifted the sanction of reeducation through labor against him ahead of schedule.

In China, this reeducation-through-labor system has redeemed tens of thousands of young people who have slipped into the abyss of crime. According to the statistics provided by departments concerned in Guangxi alone, in the last 10 years, departments in charge of reeducation through labor in Guangxi have educated and transformed more than 20,000 erring people who were given reeducation-through-labor terms and helped them become citizens observing discipline and abiding by the law. Of these people, more than 300 received preemployment job training, some 200 were given certificates of literacy by education departments, and nearly 1,000 had a primary-school educational level while serving their reeducation-through-labor terms.

Li Bin, currently a brilliant Guilin City Middle School student, has an intimate knowledge of the system. He said: "The reeducation-through-labor system has helped me to once again hoist the sails of my life."

#### **Bishop Reportedly Dies in 'Police Custody'**

HK0212015791 Hong Kong SOUTH CHINA  
MORNING POST in English 2 Dec 91 p 10

[By John Kohut]

[Text] Bishop Paul Shi Chunjie, who was arrested last December, has died in police custody, according to Catholic church sources.



Bishop Shi, the auxiliary bishop of Baoding, Hebei Province, who was blind, died last month in an old people's home where he was watched over by police, the sources said.

The local authorities ordered the funeral to be held within two days of his death to avoid large crowds forming when word spread through Baoding and neighbouring areas. Nevertheless, about 1,000 people turned up, the sources said.

The precise cause of Bishop Shi's death was not known. Police have refused to release any details, the sources said.

Bishop Shi was among more than 20 bishops, priests and laymen from Baoding and Yixian dioceses who were arrested on December 13 and 14 last year and held for study sessions, according to the human rights group, Asia Watch.

The sources also said that officials in Hebei had intensified their attacks on the underground Catholic church by holding political study sessions at which Catholics were urged to denounce priests and turn them in to police.

Such meetings had been going on throughout Hebei over the last three months and were due to end in January, the sources said.

The sources also said that members of the so-called Patriotic Catholic church, which has pledged loyalty to the Chinese state rather than the Vatican, had been forced to attend political study sessions recently.

One group of about 40 priests is currently enrolled at a political training centre in Beijing for three months.

#### **Socialist Education in Rural Areas Discussed**

*HK2511054491 Beijing QIUSHI in Chinese No 19, 1 Oct 91 pp 35-38*

[Article by Niu Xiaomei (3662 1420 2734), director of the Anhui Provincial CPC Committee Propaganda Department: "Several Aspects of Education on Socialist Ideas in Rural Areas"]

[Text] Socialist ideological education in rural areas has been extensively enacted all over China. To enable such education to achieve proper results, it is necessary to comprehend correctly the current situation of rural areas in present-day China and Chinese peasants and their position and role in the modernization program, as well as guiding ideas, contents, methods, and other questions, to unify ideas and push forward the healthy development of such an education.

The question of peasants is a fundamental question in the Chinese revolution and construction, and under no circumstances should the education of the peasants be slackened. This is determined by the basic condition of China. In the struggles of the new democratic socialist revolution to overthrow the old system and build new

China, the peasant class has made gigantic contributions as a reliable ally of the working class. During the new period of socialist modernization, the peasants remain a major force in China's reform and construction. After the Third Plenary Session of the 11th Central Committee of the CPC, the reform in China first started in the rural areas. The contract responsibility system on a household basis was introduced throughout the rural areas; it vigorously mobilized peasant initiative for production. The rural economy grew rapidly, and basically solved the problem of enabling Chinese peasants to dress warmly and eat their fill. The success of rural reform energetically pushed forward overall reform and opening to the outside world and laid the foundation for further development of China's economy. History shows that rural areas and the peasants were important matters not only related to the growth of the national economy, but also to the consolidation of the state regime. It could be said: The state prospers with agriculture; when agriculture is in danger, so is the state.

Comrade Mao Zedong once said: "Educating the peasants is a serious problem." Such an assertion is still of profound guiding significance during the new period of reform and opening to the outside world. Compared to the 1950's, extremely profound changes have taken place today in the situation of the rural areas and the peasants. With these enormous changes, the qualities of the present-day peasants themselves are experiencing historic changes; not only their living standards and external images are changing, their ideas and spiritual conditions are also very much different from those of the past. In studying rural work and in considering the ideological education of the peasants, we still cannot ignore some basic premises.

First, the low level of the productive forces and the backward economic and cultural way of living in most of China's rural areas remain the breeding ground for small production ideas. In the 1950's, although the CPC led the peasants to carry out socialist transformation, guided them to struggle against poverty, and made difficult exploration for the realization of common prosperity, due to subsequent "leftist" mistakes in policies for rural areas committed by the CPC, not only the initiative of the peasants for production was dampened, negative sentiments about the collective road also grew among the peasants. They still have a lingering fear to this day. The contract responsibility system on a household basis implemented after the Third Plenary Session of the 11th Central Committee of the CPC is in conformity with the level of development of the productive forces in rural areas. However, as the level of socialization of agricultural production in most areas remains very low, it is still inevitable that the peasants look upon their own future and destiny with the eyes of small producers.

Thus are the complexities in some peasants during these historic changes. On the one hand, they are socialist laborers, and on the other, they are still subject to the limitations of small producers; they support the socialist system, but it is impossible for them to get rid of the

entanglements of old ideas and old concepts left behind by several thousand years of feudal history. On the one hand, they are asked to carry out reform, get rid of poverty, and develop the commodity economy, and on the other, they are subject to conservative ideas and are contented with small-scale prosperity. Under the situation of reform and opening to the outside world, so long as the mode of small production in rural areas, in which manual labor is the dominant factor and the family remains the basic unit, remains unchanged, the habits of small producers and small private owners retained by peasants would not be thoroughly overcome. It is therefore a long-term and arduous task for building socialism with Chinese characteristics always to attach importance to giving peasants socialist education, help them correctly understand the policies of the CPC, strive to overcome the influence of the ideas of small producers and small private owners, and take the socialist road of their own accord.

Second, the ideas of the broad masses of peasants were severely disrupted, challenged by the results of the rapid development of the planned socialist commodity economy. In the face of an ever broader, varied, and more complicated market in rural areas, a number of peasants capable of running businesses displayed their skills to the full and embarked on the road to prosperity, and a much larger number of peasants who had acquired the initiative of production were not yet in a position to adapt themselves to such a change. They thought since "individuals had contracted for production, they could grow whatever they wanted," resulting in blind production. When faced with the situation of "difficulties selling grain," tea and silkworm "wars," and other market changes, they were again lost in perplexity. This shows that it is a pressing task to conduct ideological education on the planned socialist commodity economy among the peasants. It has a bearing not only on heightening the socialist consciousness of the peasants, but also on whether or not the peasants can embark as soon as possible on the road to prosperity. In light of the main direction of attack in the current reform of economic systems in rural areas, we should therefore perfect as soon as possible the contract responsibility system a household basis where "unified and decentralized management are integrated, and operations are done on two levels," perfect socialized service systems, fully mobilize the initiative of both the collective and the family, develop and expand the collective economy, and further raise the level of agricultural productive forces. Meanwhile, we should also step up the education in socialist and collective ideas in rural areas, enhance the comprehension level and all-around qualities of peasants, and speed up the development and shaping of the new system in which planned economy and market regulation are integrated.

Third, practice in revolution and construction over the past decades have proved that we must rely on education as guidance in consolidating the worker-peasant alliance, in mobilizing the socialist initiative of hundreds of

millions of peasants, and in overcoming and remolding the limitations of the peasants. We should not simply use administrative orders, and never should we rudely deprive the peasants of their rights. At present, the rather tense relations between cadres and peasants in some rural areas is caused, apart from a small number of cadres who seek private interests by power and are not honest and conscientious enough in performing official duties, by the inadequacy of peasant education in quite a number of areas. It is therefore necessary for the whole party, especially for all the cadres working in rural areas, to learn to give the peasants effective ideological education. Socialist ideological education should be included in all kinds of rural work, and constantly arouse the consciousness of peasants, and allow peasants themselves to enhance through practice the capability of choosing and keeping to the socialist direction. This should be a principle in developing rural work.

Fourth, it is a long-term, arduous, and very complicated task to conduct socialist education among the peasants. That is not just because China has a very large peasant population, educational undertakings in rural areas are not developed, and the educational level of peasants in general is rather low, which make it difficult for them to receive systematic theoretical education. China is vast in territory, with very unbalanced economic and cultural development, and even in one province there is a very wide gap between various localities, not to mention the differences between coastal and open areas and the interior and outlying districts. To enable peasants all over China to heighten their understanding and comprehension of socialism, it is therefore necessary to persist, proceeding from different situations and aiming at specific problems, in long-term, multilevel, and popular and vivid education.

The CPC Central Committee clearly pointed out that the guiding ideas for the current socialist education in rural areas are: Following Marxism-Leninism-Mao Zedong Thought, in line with the requirements of the basic line of the CPC, and guided by the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, educate, unite, and guide the peasants with patriotic, collective, and socialist ideas; deepen reform in rural areas; develop the rural economy; step up the construction of spiritual civilization; take the road of building socialism with Chinese characteristics; and accelerate comprehensive progress in the rural areas. Profound understanding and implementation of such a guiding idea is the premise of doing a good job in this education. In the past few years, we were somewhat softhearted, soft in that inadequate attention was paid to correct guiding ideas. When we talked about reform and opening to the outside world, we overlooked the socialist direction. We talked about getting rid of poverty and struggling for prosperity; however, we lost ideological belief. Now, there are all kinds of doubts among the peasants, and the deep-rooted questions are whether rural reform is socialist or not and how to take the socialist road with Chinese characteristics in rural areas. In socialist ideological education in rural areas, we should, therefore,

grasp firmly the center of strengthening socialist belief, establish the idea of building new socialist rural areas with Chinese characteristics, and guide the peasants to understand that it is necessary to proceed from the practical situation of China's rural areas, adhere to the socialist direction, and constantly deepen reform. Then the peasants will be able to achieve common prosperity, and develop from dressing warmly and eating their fill to being comparatively well-off. Specifically, it is necessary to make clear five kinds of relationships.

First, it is necessary to make clear the relationship between the contract responsibility system on a household basis and public ownership. After the implementation of the former, some peasants regarded land contracts as private ownership, and looked upon "fixing of farm output quotas for each household" as "dividing up the land and going it alone." It has thus brought out the question whether the implementation of contract responsibility system on a household basis is following the socialist road or not. We should remove through education such misunderstanding on the part of the peasants. The implementation of the contract responsibility system on a household basis fully mobilized the initiative of the peasants for production, and played a breakthrough role in developing social productive forces and advancing the prosperity of the rural economy. Such a system should be maintained and developed in rural areas for a long time. It should also be made clear to peasants that the contract responsibility system on a household basis is based on public ownership. The land contracting system ensures peasants the right to the rational and fair use of land, and this is exactly the embodiment of public ownership and where its superiority lies. Therefore, the contract responsibility system of joint production on a household basis is socialist in nature, and is a form of operation of the socialist collective economy. Now, the perfection of the rural economy reform under the principle of two-level operations is exactly the realization of self-perfection of socialist public ownership in accordance with the original meaning of the contract responsibility system on a household basis.

Second, it is necessary to make clear the relationship between upholding public ownership as the main body and the development of diversified sectors of the economy. The current development of the latter in rural areas gives rise to doubt among a number of rural cadres and peasants whether they adhere to the socialist direction or not. It should be made clear that developing the economy and productive forces are basic tasks of socialism. So long as they are beneficial to production and to the development of the socialist economy, whether they are run by individuals, by several household jointly, or by share-holding joint ventures and other forms of operations, they are all allowed by party policies. But it should also be made clear that socialist public ownership is the foundation of the socialist relations of production, and that the individual, private sector of the economy and other economic sectors are but necessary

supplements to the economy with public ownership as the main body. Only when the collective economy is expanded can we go in for the construction of thermal power stations, water conservancy projects, highways, farmland capital construction, cultural, scientific, and educational and welfare undertakings in rural areas, thereby basically improving labor and living conditions and the social environment of peasants. Only when we uphold the setup of collective ownership as the main body can we consolidate the socialist position in rural areas, and ever display the gigantic socialist superiority. Therefore, it is quite a long-term policy for socialist construction in China to maintain the ownership structure of diversified sectors of the economy existing side by side with public ownership as the main body.

Third, it is necessary to make clear the relationship among the state, the collective, and the individual. Aiming at the narrow idea "personal prosperity is our own business, and common prosperity is the affair of the state" existing among a number of peasants, we should make clear to peasants the relationship between personal and common prosperity, and the relationship between personal prosperity and the prosperity of the state. Common prosperity is the essential requirement of socialism and is the most important embodiment of the superiority of the socialist system. Allowing personal prosperity is not opposed to common prosperity, and it is allowed for the sake of achieving common prosperity. If only a small number of people become rich while the majority remain poor, there will appear new polarization and new class contradictions. This is not the socialist road, nor will there be happiness for the broad masses of the peasants. On the other hand, under the situation that China has a poor foundation to start with, and the productive forces are not developed, it is necessary to fully mobilize the initiative of all sides to develop the economy, and allow a number of people to become rich first. But the realization of common prosperity relies mainly on the development of the collective economy. It is necessary to make clear the relationship between a number of people becoming rich first and the realization of the common prosperity of the peasants, and to enable the mass of the peasants to understand the truth that only when the state becomes rich can the people become rich. Therefore, it is necessary to guide the masses' pursuit of personal and common prosperity toward the growth of production and making contributions to the state.

Fourth, it is necessary to make clear the relationship between two civilizations construction in rural areas. Since reform, there has been tremendous improvement in the material life of the peasants, but harmful and even corrupted ways of living have gained some ground and even spread unchecked in some areas. Therefore, while propagating energetically to the peasants that poverty is not socialism, that socialism must vigorously develop social productive forces, constantly meet with the people's ever increasing needs of material life, and enable people to enjoy a happy life, it is also necessary to let the



peasants know that rich material life is but one aspect of the socialist civilization, and that its healthy, civilized, spiritual life is what no other system can match. With material civilization alone and without spiritual civilization, there is no socialism. All negative, backward, ugly, and corrupted ways of living, and corrupted and decadent bourgeois and feudal ideas not only condition growth in rural areas, but also influence the peasants from gaining genuine happiness. Peasants should therefore take an active part in the management activities of townships and villages according to law, with a sense of responsibility of being masters of the country; transform social traditions; rise by themselves to struggle against superstition, gambling, patriarchal ideas, mercenary marriage, extravagance and waste, and other unhealthy trends and bad habits; and establish new socialist habits.

Fifth, it is necessary to make clear the relationship between rural reform and party leadership. A saying has emerged in some areas since reform "since land is contracted to households, who cares about the party branch," which shows that the peasants have a dim understanding of the position and role of the party in rural work during the new period. It is therefore necessary to make clear to the peasants that such fine situation in rural areas today is attained entirely under party leadership and under the guidance of the party's correct policy of reform. Without party leadership, it is impossible to have the rural areas of today. It is a long-term and arduous task to realize a well-to-do standard of living and to build new socialist rural areas. It is impossible for millions of peasants to realize such a great task without a strong core of leadership, and this strong core of leadership can only be the CPC. Party leadership first of all lies in the party's correct line, principles, and policies, and then in relying on grass-roots level party organizations to get the peasants mobilized to seriously carry out the party's line, principles, and policies. Practical experience proves that in places where township and village party organizations are healthy and competent and enjoy high prestige, the collective economy is well developed, common prosperity has been achieved at a rapid pace, and the masses have greater confidence in taking the socialist road. On the contrary, in places where grass-roots level party organizations have weakened and gotten blunt, all kinds of work can hardly make headway. Therefore, it is necessary to step up the construction of the grass-roots level party organizations, to better undertake the task of leadership in building new rural areas.

In socialist education in rural areas, we should achieve: Knowing the real situation, telling the truth, doing practical business, and seeking substantial results. The key is: We should proceed from the actual situation in rural areas and from the practical experiences of the peasants. The historic changes that have taken place during the 10 years of reform in rural areas are the best live teaching materials. It is necessary to help the masses of the peasants by exploring every specific example by their side, doing a good job in summing up themselves,

educating, and raising themselves to a higher level, and understanding the current situation of China's rural areas from the outside to the inside and from the easy to the difficult, to show the superiority of socialism and the necessity of adhering to the socialist road in order to march on toward the goal of being comparatively well-off, and to enable them to strengthen their belief in the collective and in socialism. As the situation varies in different areas, socialist ideological education should never be of "one cutting," or like "a gust of wind," or of "one mold," copied and applied mechanically in disregard of specific conditions. In places where township, town, and village grass-roots level party organizations are weak and lax in discipline, the leading bodies there can no longer play the core and exemplary role in the practice of leading the masses to take the road of common prosperity. Under such a circumstance, it is necessary to emphasize grasping well construction of the grass-roots level political regimes and seriously conducting organizational rectification while laying stress on ideological education. In places where the economy develops rather slowly and where the strength of the collective economy is nothing but a "shell," socialist ideological education should be planned with emphasis on combining the deployment of economic systems reform and economic development to further push forward the development and perfection of the socialized service system in the two-level operation system and expanding the collective economy. If socialist ideological education in rural areas is not closely related to jobs being done in local areas, and cannot play a proper role in pushing forward rural work, then the phenomenon of "two layers of skin" [liang zhang pi 0357 1728 4122] will appear, affecting the results of education.

To do a good job in socialist ideological education in rural areas, it is necessary to step up party leadership. At present, rural work is extremely heavy, and under such a circumstance, whether or not such an education can be put in place and into effect depends on the understanding and determination of the leadership. Socialist ideological education in rural areas is not only a basic construction which pushes forward comprehensive progress in the political, economic, ideological, and cultural spheres in rural areas, but also an important measure for strengthening and improving party leadership over rural areas under the new situation. If various levels of leadership make efforts in real earnest according to the deployment and requirements of the Central Committee, then such a socialist ideological education in rural areas will certainly greatly enhance the socialist consciousness of party members, cadres, and the masses in rural areas, strengthen the cementing force of the grass-roots level party organizations and political regimes in the rural areas, and reinforce party leadership over rural work, thereby pushing forward vigorously socialist construction in rural areas.

#### **Daily Urges Addressing Party Spirit, Style**

HK0212010891 Beijing RENMIN RIBAO in Chinese  
13 Nov 91 p 5

[Article by Zhang Sijing (1728 1835 2417): "Strive To Strengthen Party Spirit and To Earnestly Correct Party Style"]

[Text] Strengthening party spirit and correcting party style are two aspects of the same thing. Party spirit is the internal quality of the party, while party style is the expression of the behavior of party organizations and members. Unhealthy trends now existing in the party are the manifestation of impure party spirit. To correct party style, it is, therefore, necessary to strengthen party spirit. The spirit of the communist party members is the concentrated expression of advanced thinking and excellent moral character of the working class. So far as the party as a whole is concerned, to strengthen party spirit is to maintain the party's quality as vanguard of the working class; so far as individual party members are concerned, it is essential to overcome all kinds of non-proletarian thinking and to give play to the role of advanced elements of the working class.

The work of strengthening party spirit and correcting party style must not be done in a mediocre way or occasionally. As Comrade Chen Yun said, as "a matter that concerned the life and death of the party," the whole party must grasp it seriously and continuously. Only thus can it be grasped well.

There are many ways and means to strengthen party spirit and to correct party style. It is essential to grasp both the unhealthy trends and the building of party spirit. It is also imperative to enhance the consciousness of the party members so they can consciously strengthen party spirit and resist unhealthy trends. We must, therefore, not only inflict punishment, but also improve education, practice steeling, build a perfect supervisory mechanism, and so on. The key lies in leaders taking the lead.

1. Study and self-cultivation. It is necessary to strengthen education in the basic theory of Marxism-Leninism for the whole party and to heighten the cadres' awareness of studying Marxism-Leninism and their ability to distinguish political orientation. It is essential to understand the objective law of social development and the reason that communism will surely replace capitalism, and to strengthen political firmness and the ability to resist "peaceful evolution."

The whole party must restudy the program, aim, organizational principles, excellent traditions, and style of the party, establish the idea of wholeheartedly serving the people, and overcome individualism and the unhealthy trend of taking advantage of power to seek private ends.

In the course of study, we must oppose subjectivism and metaphysics and clearly understand the important right and wrong ideological and theoretical matters to give guidance to the practice of our country's socialist construction; otherwise, a theoretical error the breadth of a single hair can lead a thousand li astray in practice, causing a serious fault.

Study must be integrated with ideological practice. With the rectification of spirit, we must stress self-cultivation, conduct criticism and self-criticism, and solve the problems of world outlook. This is a very important matter of

study style. If this problem is not solved well, study will become empty talk and result is practically nothing.

2. Practice and steeling. As Communist Party members, we must have not only lofty ideals, but also a matter-of-fact attitude. In our day-to-day tasks, we must work in a down-to-earth manner, give play to the vanguard and exemplary role, and in the course of practice, overcome all kinds of erroneous ideas, strengthen party spirit, and enhance our abilities.

It is essential to make arrangements consciously and in a planned way for the party-member cadres to work and to be steeled in grass-roots units. Through practice, the problems of linking theory with practice, of integrating with workers and peasants, and of relations with the masses are solved well so that we can identify ourselves with the masses in thinking and emotion, learn to take the mass line, and become servants of the masses.

It is imperative to advocate consciously steeling in an environment of hardships and at a difficult working post; this is the best place to temper party spirit. We do not believe in the version of "heaven bestowing important responsibilities" but the environment of hardships can really temper and test people. The leaders of our party were all brought up in the environment of hardships—the revolutionary war and cause of construction. The future successors to the revolutionary cause must also and can only be trained in the environment of hard struggle.

3. Supervision and struggle. Stressing self-cultivation and steeling is necessary; this is an internal factor for party members to strengthen party spirit. However, this is not enough; an external supervisory factor is also needed. So far as the party members, who are insufficiently conscious, are concerned, supervision inside and outside the party must be especially strengthened.

We must overcome liberalism, carry on positive ideological struggle, combat all kinds of unhealthy trends inside the party, strictly administer the party, eliminate the phenomenon of weak and slack party organizations, and strengthen the party's combat effectiveness.

It is imperative to put the inner-party supervisory system on a sound basis. It is necessary to implement seriously democratic centralism and party discipline, to put the system of regular activities of organizations inside the party on a sound basis, and to conduct serious criticism and self-criticism. It is essential regularly to assess cadres and party member and to correct erroneous words and deeds.

We must also put on a sound basis the system of nonparty comrades' supervision over party organizations and members, regularly solicit the views of the democratic parties, mass organizations, and the masses on party organizations and members.

The system of supervision inside and outside the party is more important in the period when the party is in power

than in the period of revolutionary struggle. This is because in the period of revolutionary struggle, our enemy "was supervising" us and when we made a slight mistake, our enemy would "eat us up," and we could perish. Therefore, we had to be comparatively careful. As our party is now a party in power, the danger is not so apparent and we are not likely to be so careful. After the founding of our country, it was because of this that some mistakes emerged in our party. In the period when our party "is in power," we must, therefore, stress strengthening the supervisory mechanism more to avoid big blunders.

4. Commendation and punishment. We must vigorously commend advanced figures and exemplary party members, set examples, form an environment of excellent party style, carry forward positive factors, and promote self-cultivation and steeling. Like all living things, the party also undergoes a process of metabolism. While fresh blood is unremittably replenished, a tiny number of people who defy party discipline and state law must be necessarily exposed, punished, and even expelled from the party. This can play a part in "learning from past mistakes to avoid future ones."

5. Leaders taking the lead is the key. The key to carrying out all measures for strengthening party spirit lies with party leaders at all levels. When leaders attach importance to this work, the whole party can seriously and continuously grasp it; when the leaders are clear, orientation can be correct, there can be a definite object in view, and the key link in work can be grasped. When leaders take the lead, people will follow the example of their superiors and an excellent atmosphere and system can be established. In the final analysis, only when leadership groups at all levels are strong and leadership power is grasped in the hands of Marxists, can victory of our revolutionary cause be fundamentally guaranteed. This is the important aim of strengthening party spirit that we stress.

#### **Commentator on Education Through Practice**

HK2911133091 Beijing JIEFANGJUN BAO  
in Chinese 6 Nov 91 p 1

[Commentator's article: "Be Good at Receiving Education From Practice"]

[Text] To firmly establish a correct political conviction, one needs to receive education in various aspects. Aside from consciously studying and inculcating revolutionary theories, we should also be good at receiving education from the practice of socialist construction and reform. This is also of great importance.

Practice is greatly convincing and enlightening. Often, people's understanding of a political party or a person does not come mainly from its declarations or words, but from its entire practice or deeds. In the revolutionary war years, our party's practice of serving the people wholeheartedly and braving all difficulties and hardships in order to bring happiness and emancipation to the

people gave vivid education to the people and had a strong attraction for the people. The revolutionary cause is continuously advancing in practice. Understanding the just nature and regularity of this cause also depend on practice. Our party always attaches importance to the enlightening role of practice. When giving publicity to the party's position, our party always uses facts to explain and link theory with practice. Facts help people understand the truth, lay bare lies, understand the situation, and find their bearings. Facts play a role and produce effects that cannot be replaced by other educational forms.

In order to keep a firm conviction of the inevitable victory of socialism and communism, we should also be good at receiving education from practice while studying Marxism. What are the facts that we are facing? A basic fact is that socialism has rescued China and enabled China to develop. For more than 40 years since the founding of New China, especially after reform and opening up, great achievements acknowledged by the whole world have been made in socialist revolution and construction. Politically, China terminated its long-standing chaotic and disintegrating situation and terminated its experience of being bullied, humiliated, and trampled upon by the imperialist powers: national independence and reunification, nationality unity, and comprehensive social progress were all realized. Economically, China has achieved a much higher growth rate than most capitalist countries and established its own independent and integrated industrial system and economic structure. In the struggle to safeguard world peace and human justice, our country has played an important and even decisive role [ju zu qing zhong de zuo yong 5282 6398 6535 6850 4104 0155 3938] and has won respect from people all over the world. All people of insight in the world do not doubt China's growing national strength and her bright development prospects. In the last 10 years or so, the people's material and cultural lives have been obviously improved, and this is something that has been personally experienced by all people and universally acclaimed. Miracles have been continuously created in our socialist practice, and the superiority of socialism has been evidently displayed before our eyes more and more. In particular, the superiority of socialism was more apparently felt by the people when serious natural disasters occurred. In this year's heroic struggle against floods, people witnessed the moving situation in which disaster-stricken people received assistance from all localities and from people in all walks of life, the noble behavior of sacrificing personal or local interests in order to safeguard the overall interests of the nation, the tenacious spirit of rebuilding homes on the basis of self-reliance, and the solid material force for effectively resisting the serious natural disasters caused by floods. The heroic collectives and individuals in the antiflood struggle radiated with the splendor of communist ideology and their exploits were also linked with the superiority of our socialist system. The socialist system has displayed strong vitality in the vast land of China, and socialism with Chinese characteristics has yielded



rich fruit. All these facts have provided a good deal of teaching materials and a vast classroom for us to conduct education in socialist conviction.

A philosopher once said that there is no lack of beauty in life and that the only problem is a lack of discoveries. We should be good at receiving education from practice, and the key lies in being good at making discoveries. Some comrades may not be aware of the true features of the place where they live. They are used to the superiority of the socialist system and thus, pay no attention to familiar sights. It seems so simple to them and nothing is worth mentioning. In fact, some outsiders may see the situation more clearly. Sometimes, some upright foreigners are more clearly aware of China's situation than some of our people. Take per capita income as an example. The figure in our country is now about \$300 a year, but foreigners hold that this figure only represents "tangible" monetary income. If fringe benefits, such as free health care, retirement pensions, labor protection, housing, food subsidies, water and electricity supply, transport allowances, and other allowances are all included and if consideration is also given to such "intangible" income as the absence of individual taxation, actual per capita income would be several times \$300. Foreigners of insight, many Overseas Chinese, and Taiwan, Hong Kong, and Macao compatriots have great esteem for our country's reform and economic achievements. This is certainly not the only reason. Should not we, who live in the embrace of the socialist motherland, be more proud of these achievements?

To receive education through socialist construction and through the practice of reform, we need to acquire a correct method of observing things. Admittedly, there have been certain errors in our socialist practice and also various unsatisfactory things in our social life. However, compared with our achievements, such problems can only be a minor aspect of things and setbacks in the course of advancement. Moreover, such problems are all being settled. Problems and the dark side of things exist in all countries under all systems. What should be considered is whether they constitute the main aspect of things, whether they reflect the nature of society, and whether they can be solved and overcome by the existing system. We should learn how to take an all-sided and dialectical point of view by observing things through development. If we recklessly draw conclusions after seeing some problems, then we may make the mistake Lenin described: "It will only be a joke or even worse than a joke if we do not grasp facts from aggregation and relationships, but only pick up fragments in a casual way." In the course of receiving education through practice, we should avoid such a thinking method as having one's view of the important overshadowed by the trivial.

Receiving education through practice should be combined with study of revolutionary theories. Comrade Mao Zedong pointed out: "What is perceived cannot at once be comprehended and only what is comprehended can be more deeply perceived." Only by upgrading our

perceptual knowledge to rational knowledge can we become highly conscious in our actions. The practice of socialist construction and reform is being carried out under the guidance of the theory of scientific socialism. If we are not only good at receiving education through practice, but are also good at studying Marxism-Leninism-Mao Zedong Thought and the theory of building socialism with Chinese characteristics in connection with practice, then we will certainly be able to conduct education in socialist conviction in a vivid and effective way so that our cadres and soldiers will continuously keep a firm conviction about the inevitable victory of socialism and communism.

### CPPCC Standing Committee To Meet 10-12 Dec

OW0212143091 Beijing XINHUA in English  
1400 GMT 2 Dec 91

[Text] Beijing, December 2 (XINHUA)—The 17th general meeting of the Standing Committee of the Seventh Chinese People's Political Consultative Conference (CPPCC) National Committee is scheduled for December 10-12 in Beijing.

The official date for the general meeting was decided during the 41st meeting of the leadership of Seventh CPPCC National Committee which opened here today.

The leadership meeting was presided over by CPPCC Vice Chairman Wang Renzhong who was acting on behalf of Chairman Li Xiannian. Wang said the focus of the forthcoming general meeting will be to study and discuss the recent decision of the Chinese Communist Party Central Committee to further strengthen agriculture and work in rural areas.

### More People Sue Officials, Institutions

HK2811064791 Beijing CHINA DAILY in English  
28 Nov 91 p 1

[By staff reporter: "Citizens More Aware of Their Legal Rights"]

[Text] More people in China are suing government officials and institutions for unfair administrative decisions and demanding legal protection, a senior judge from the Supreme People's Court said.

Courts of all levels nationwide have agreed to hear 18,300 lawsuits in the first eight months of this year, more than twice as many as during the same period last year, Huang Jie, head of the Administrative Procedural Court with the Supreme Court, said.

China's Administrative Procedural Law came into effect on October 1, 1990. It allows individual citizens to lodge lawsuits against administrations, and empowers the court to invalidate or alter unjust government decisions.

Huang said courts heard 13,500 cases between January and August, which led to cancellations of and changes to

2,800 administrative decisions and the maintenance of 4,000 government decisions.

Following the law's publication, the administrative lawsuit courts, most newly established, have been flooded with cases.

However, Huang said, for a country with a large population and a huge bureaucracy, the number of such lawsuits is too small.

"We are expecting a further increase of such cases in the coming years as people are getting more familiar with the one-year-old law," he said.

It is still something new for an ordinary Chinese to charge a government official, he said, and people are sometimes afraid of possible retaliations.

More than 60 percent of the cases involved police officials and land management departments. Complaints about industry and commerce administration and tax bureau officials are scarce, because businessmen and street peddlers fear their action would trigger veiled revenge.

Sometimes interference from the administration involved hinders judicial process and adds to the worries of the presiding judges.

Huang said administrations are also afraid of being sued because in some officials' minds, losing a lawsuit means losing face and government prestige.

According to Huang, 5,200 cases, about 38 percent, were stopped because the plaintiffs withdrew their accusations.

The official said these plaintiffs retreated from litigation when they realized they could not win or when their requests were satisfied by administrative departments.

#### Official Notes 1992 To See Record Births

HK0212015191 Beijing CHINA DAILY in English  
2 Dec 91 p 3

[By staff reporter: "Birth Rate To Hit a Record High in 1992"]

[Text] A high-ranking family planning official has warned that a record number of babies will be born next year.

Peng Peiyun, minister in charge of the State Family Planning Commission, said that more than 24 million babies are expected to come into this world in 1992, even if the country's family planning workers do a perfect job.

Peng's remarks came at an annual meeting of the China Family Planning Association, a non-governmental organization, yesterday in Beijing.

Next year, nearly 124 million women will enter their birth peak ages—between 20 and 29, and 13.25 million

women will reach 23, the age when Chinese women are most likely to give birth, she said.

She also mentioned that according to the Chinese lunar calendar, 1991 is the year of goat, traditionally considered an unlucky year to give birth; so many families have delayed having a child till next year.

Peng also praised the work of the family planning institutions this year which are making it possible to achieve this year's birth control goal.

It is estimated that the Chinese population will reach 1.16 billion by the end of this year, 17 million up on last year, making the birth increase rate nearly 15 per thousand.

### Economic & Agricultural

#### Private Trading in Foreign Exchange Permitted

OW3011114391 Beijing XINHUA in English  
1024 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—Chinese residents and permanent foreign residents in China will be allowed to purchase foreign currencies at Chinese banks beginning tomorrow.

Officials from the State Administration of Exchange Control said here today that starting December 1st Chinese residents can sell foreign currencies at the prices on domestic and foreign markets and that they can also buy foreign currencies before going abroad on private business.

According to a regulation on individual trading in foreign exchange issued by the State Administration of Exchange Control today, residents in China, both Chinese citizens and permanent foreign residents, can sell at designated banks money remitted from abroad, foreign currency deposits in Chinese banks, or foreign cash.

Residents in China who are to go abroad for private purposes such as for study, visiting relatives, or emigration can buy foreign currency at the current exchange rate, the regulation says.

A ceiling applies on emigrants' purchase of foreign currency. Pensions for retirees and disabled persons can be exchanged into foreign money in entirety.

Emigrants who need foreign currencies to buy tickets for international transportation are allowed to buy the amount needed.

Residents in China can also obtain foreign currency needed to pay membership dues to international academic bodies or to pay application fees for foreign language tests.

Overseas Chinese, people from Hong Kong, Macao and Taiwan, foreign specialists and students in China, foreigners visiting China or working in foreign representative offices in China are not included in the traders list.

### Regulations on Foreign Exchange

OW0112111391 Beijing XINHUA Domestic Service  
in Chinese 1106 GMT 30 Nov 91

["Provisional Regulations on Regulating Foreign Exchange of Domestic Residents and Foreign Exchange for Domestic Residents Going Abroad for Private Purposes"—Approved by the State Council on 10 November 1991, and To Be Implemented as of 1 December 1991 by the State Administration of Exchange Control"—XINHUA headline]

[Text] Beijing, 30 Nov (XINHUA)—Article 1. These regulations are established to take care of the economic interests of returning overseas Chinese, families of overseas Chinese, and domestic residents with foreign exchange income, and to provide convenience in using foreign exchange to domestic residents going abroad with approval for private purposes.

Article 2. Domestic residents referred to in these regulations refer to Chinese citizens in the PRC and foreign nationals (including people without a nationality) permanently residing in the PRC.

Article 3. Foreign exchange for domestic residents referred to in these regulations refers to foreign exchange sent to domestic residents from outside the country, foreign currency deposit of domestic residents at banks in the country, and cash in foreign currency held by domestic residents.

Foreign exchange for domestic residents going abroad for private purposes, as referred to in these regulations, refers to travel and miscellaneous expenses needed by domestic residents going abroad to visit relatives, to reside permanently, or for further study at their own expense; and compensation for personnel on permanent leave, pension for retirees, compensation for personnel leaving their jobs temporarily, compensation for personnel resigning from their jobs, and compensation for the families of the deceased who leave the country for good.

Article 4. Upon receiving foreign exchange remittance from abroad, domestic residents may choose one of the following:

- (1) Sell the remittance to a foreign exchange regulation center via a bank;
- (2) Convert the remittance into a foreign currency deposit;
- (3) Sell the remittance to a bank at the exchange rate announced by the State Administration of Exchange Control, and receive coupons for the supply of materials sent from overseas.

Article 5. Branches in all localities of the State Administration of Exchange Control should assign local banks to act on behalf of local foreign exchange regulation centers in buying foreign exchange of domestic residents and in selling foreign exchange for domestic residents going abroad for private purposes.

Article 6. Foreign exchange deposits and cash in foreign currency held by domestic residents may be sold to foreign exchange regulation centers via the banks. The banks buy U.S. dollars or Hong Kong dollars held by domestic residents at the buying prices for regulatory foreign exchange announced by the local branch of the State Administration of Exchange Control; and sell U.S. dollars or Hong Kong dollars needed by domestic residents at the selling prices for regulatory foreign exchange. When domestic residents sell foreign exchange other than U.S. dollars and Hong Kong dollars to the banks, the banks first convert it into U.S. dollars at the exchange rate announced by the State Administration of Exchange Control, and then buy it at the buying prices for regulatory foreign exchange. The banks only sell U.S. dollars or Hong Kong dollars to domestic residents going abroad for private purposes.

Article 7. If a resident of the country leaves the country for private purposes and applies to purchase regulatory foreign exchange, he has to provide the following documents:

1. Passport with valid visa of the country he will visit, and departure registration card;
2. Permit for travel to Hong Kong and Macao, or permit for going to, or coming from, Hong Kong and Macao;
3. A foreign national with permanent residence in China shall provide his residence permit with the character "qiao" [0294; alien resident], and passport with reentry visa, or an exit-entry permit for foreign nationals; and
4. Those who depart the country permanently shall also be certified by a county-level or higher level unit; those who do not work for any unit shall be certified by township or town government or by neighborhood office.

Article 8. Rules for purchasing regulated foreign exchange for those who depart the country permanently are as follow:

1. The full amount of compensation in renminbi for retirement, for pension, for leaving office, for separation, or for the disabled or for the family of the deceased can be used for purchasing foreign exchange; and if one's separation compensation is insufficient for purchasing \$200, he can purchase \$200;
2. After one has settled permanently outside China, he can purchase regulated foreign exchange once every six months with his pension; or compensation for retirement, separation pay, or compensation for the disabled or for the family of the deceased, basing on proof of his foreign residence and subsistence; and



3. Residents living in China who do not have wage incomes may purchase \$200.

Article 9. When regulated foreign exchange is needed to purchase international plane, train, or ship tickets, banks shall, in accordance with the rates quoted by air, railway, and shipping departments, sell to the departing personnel the amount of foreign exchange for the tickets to travel from the place he embarks to his destination.

Article 10. When residents of the country need foreign exchange to pay membership dues in international academic organizations, or to take part in foreign language proficiency tests, they may purchase the amounts of foreign exchange according to actual needs.

Article 11. In accordance with the rates set by the State Administration of Exchange Control, banks sell regulated foreign exchange for incidental expenses to those who leave the country to visit their family members or to settle permanently, to visit their family members in Taiwan, to meet their family members in Hong Kong and Macao, to study abroad at their own expense, or to attend international academic meetings.

Article 12. Banks shall sell regulated foreign exchange strictly in accordance with categories for which the use of foreign exchange is authorized, and at standard rates. In case these measures have been violated, transaction handlers and relevant leading authorities shall have their responsibilities investigated and shall be punished.

Article 13. The State Administration of Exchange Control shall be responsible for interpreting these measures.

Article 14. These measures take effect upon promulgation.

#### **More on Freer Exchange Rules**

HK0112043891 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 1 Dec 91 p 1

[By staff reporter Yuan Zhou: "Currency Trading Made Legal"]

[Text] Chinese citizens will be allowed to buy and sell foreign currencies at market prices from December 1—the latest sign of the country's economic reform.

According to a regulation promulgated by the State Administration of Exchange Control, Chinese and foreign residents in the country are permitted to sell their foreign money to designated banks at the exchange rates offered at foreign exchange centres.

In the meantime, Chinese residents who are to travel, live and study abroad can buy U.S. or Hong Kong dollars at the more flexible rates.

China has allowed limited dollar transactions among foreign companies and foreign-funded firms from the late 1980s and there are nearly 100 foreign exchange swap centres across the country.

Administration officials say that the rates for individuals to swap their foreign money would still be higher than the official foreign exchange rate but lower than black market prices.

The centres' rate for selling one U.S. dollar last month averaged 5.86 yuan, 0.49 yuan higher than the official exchange rate.

Such a rate reflected more truly the value of the yuan, financial experts believe.

Administration officials say that the regulation, approved by the State Council, has been made in the interests of Chinese residents with foreign exchange incomes, and to help people who travel abroad at their own expense.

Undoubtedly the relaxation will significantly reduce illegal dealing in foreign currencies.

Officials say that foreign visitors, overseas Chinese, and compatriots from Hong Kong, Macao and Taiwan will not be allowed to sell their foreign exchange at market rates because the foreign exchange certificate system will continue.

These people will still have to convert their money into foreign exchange certificates at the official rate.

Chinese and foreign residents in the country will be able to sell cash remitted from abroad, and bank savings, after producing their identification documents.

Chinese residents who want to buy U.S. or Hong Kong dollars will have to show their passports and visas. Prospective immigrants must produce official documents affirming their status.

Retired people who want to settle abroad are allowed to buy U.S. or Hong Kong dollars at a volume equivalent to the value of their pension funds.

Warning against illegal money-changing activities, the officials stress that dealing in the banks at the "regulated rate" is the only legitimate channel for Chinese residents to trade foreign money.

The officials say that stern action will be taken to deal with profiteers from illegal trading in foreign money.

According to the regulations, foreign money and Renminbi involved in illegal deals will be confiscated and traders will be fined according to their trading volume.

#### **New Guidelines Aim at Boosting Investment Abroad**

HK0112052791 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 1 Dec 91 p 1

[By staff reporter Qu Yingpu: "New Guidelines To Boost Chinese Investment Abroad"]

[Text] China has announced its first guidelines to boost investment abroad.

Domestic businesses are encouraged to invest in four types of project abroad, according to a senior official with the Ministry of Foreign Economic Relations and Trade (Mofert).

The first includes projects involving the development and processing of local natural resources such as mining, fisheries and forestry, said Chen Yongcai, director of Mofert's Foreign Economic Co-operation Department.

Products of these projects can then be sold on the international market and may also be shipped back to China, Chen said.

The second type of recommended project uses Chinese equipment, technology or labour, which can save hard currency and help expand exports, he said.

The third category involves projects processing Chinese raw materials or assembling Chinese-made parts, which could also help increase the country's exports.

The fourth kind includes projects that use foreign capital such as local bank loans instead of cash investment from China, he said.

The new guidelines also emphasize that Chinese investors must conduct strict feasibility studies, including market prospects, investment regulations of the countries concerned and the credit-worthiness of partners, to guarantee that the investment is a success, Chen said.

Starting in 1979, Chinese investment abroad had reached \$1.06 billion, used to establish 911 non-trade ventures in 101 countries and regions, including the United States, Canada, Australia, Germany, Brazil, Japan, Singapore, Malaysia, Hong Kong and Macao.

Chen said those overseas ventures were mostly small. Only 89 of them have a Chinese investment of over \$1 million.

The first Chinese investment abroad was in contract engineering projects, restaurants and information services. Now the emphasis has turned to natural resources development, industrial production, transport, medical treatment and tourism. Roughly 100 Chinese companies have invested abroad.

Investment abroad is turning from small projects to bigger ones and from developing countries to industrialized nations.

Projects started since last year include logging and pulp manufacture in the United States and Canada, an oil refinery in the United States, and an iron ore mine in Australia. The iron project, with a total investment of 280 million Australian dollars (\$218 million), of which Chinese input accounted for 40 percent, is expected to bring China 200 million tons of high-quality iron ore during the co-operation term of 30 years, starting last year.

Chen noted that China's investment in the Soviet Union has been increasing rapidly in the last couple of years. So far, more than 20 Chinese-funded projects have started operation there.

Chen said he expected China's overseas investment to continue expanding as more than 400 projects are under negotiations.

Though declining to give details, he said these projects involve 90 countries and regions and are in fishing, mining, forestry, petrochemical and metallurgical production and the manufacture of machinery and electronics.

### Government To Train, Evaluate Leading Cadres

OW2811042491 Beijing XINHUA Domestic Service  
in Chinese 1343 GMT 27 Nov 91

[By reporters Fang Zhengjun (2455 2398 6511) and Chang Dongquan (1603 2639 3123)]

[Text] Wuhan, 27 Nov (XINHUA)—Beginning next year, leading cadres holding current posts in enterprises covered by the state budget will be required to undergo training and take unified state examinations. The reporters learned this today at a meeting to evaluate training results which was held by the Ministry of Personnel Training for China's high-ranking public servants.

Vice Minister of Personnel Cheng Lianchang said: To establish and enforce a public servant system with distinctive Chinese characteristics, it is necessary to follow a positive and proper policy and to improve the system connected with the public employment, evaluation, appointment, exchange, training, demotion, promotion of, and reward for cadres. In the days to come, it is necessary to further do a good job in experimenting with the public servant system. Units that have conducted experiments in this regard should adhere to the system and pay attention to consolidation and improvement. He pointed out the necessity to carry out this work in a planned and systematic way while focusing on the building of a clean government and of contingents of cadres, adding that it is necessary to adhere to stressing competency, moral integrity, fairness, and rationality.

He said that in deepening the reform of the personnel system in enterprises, it is necessary to give full play to the role of enterprise party organizations as the political nucleus. At the same time, it is imperative to implement the Enterprise Law.

Speaking at today's meeting, Chen Guangfu, director of the Training Department of the State Council's Production Office, said that in training enterprise cadres it is necessary to adhere to the guiding principle of proceeding from reality. According to a state plan, beginning next year the directors, managers, party committees, secretaries, chief engineers, chief accountants, chief

economists, and trade union chairmen of 229,000 budgetary enterprises across the country will be required to undergo mandatory training and take unified state examinations. Leading cadres of budgetary enterprises will be given a certificate by the departments in charge of cadres at the completion of their training. The purpose is to combine training with employment of cadres and to improve the system of requiring cadres to receive training first before taking up their posts. In addition, the state will also strengthen the selection and training of reserve cadres for enterprises.

#### **Commentator on Significance of Economic Work**

HK0212054691 Beijing JINGJI RIBAO in Chinese  
22 Nov 91 p 1

[Commentator's article: "Have Full Understanding of Political Significance of Economic Work"]

[Text] "We must be good at observing and handling problems from a political angle." This was a demand put forth by Comrade Jiang Zemin at the Central Work Conference for leading cadres at various levels. To leading cadres engaging in economic work, being good at observing and handling problems from a political angle means that they must not merely bury themselves in concrete affairs and talk about the economy from an economic angle but must pay attention to the political orientation. More importantly, they must be good at observing and handling economic work from a political angle, understand our economic construction from the high political plane, and gain a full understanding of the political significance of economic work. In this respect, review and study of a series of expositions made by Comrade Deng Xiaoping will be of great help to us in understanding the significance of economics from a political angle.

Comrade Deng Xiaoping is good at observing and handling problems from a political angle himself and is a good example in this respect. When we make a comprehensive survey of Comrade Deng Xiaoping's works and expositions we find that he was almost always talking about economic problems from a political angle rather than talking about the economy from an economic angle. As early as 1978, he clearly pointed out: Economic work "is the main politics of the future. Without this main content, politics will become an empty thing." In 1979, he further pointed out: "Socialist modernization construction is the greatest politics at present." He interpreted China's economic development strategic objective as political objective. He clearly pointed out that doing a good job in economic construction is the main condition for solving international and internal problems and that whether or not the four modernizations are realized will determine the destiny of our state and our nation.

#### **Only by Doing a Good Job in Economic Construction Can We Consolidate and Perfect the Socialist System**

All social systems must have their own material bases. China is a socialist country. It is true that the consolidation and perfection of the socialist system depends on the economic, political, ideological, and cultural development of our country, but in the final analysis, they depend on a high degree of development of the social productive forces and the guarantee of the powerful material basis. This is the most fundamental material condition. Just as Lenin pointed out: "In the final analysis, labor productivity is the main and most important thing ensuring the victory of the new social system."

In the past, we did not have a clear understanding of the fact that socialism needs a powerful material basis. During the 10 years of turmoil, Lin Biao and the "gang of four" criticized the so-called "theory that the productive forces decide everything." The criticism greatly sabotaged economic construction. To counter the fallacy spread by the "gang of four" that "we would rather choose poor socialism than rich capitalism," Comrade Deng Xiaoping pointed out sharply: "It might be reasonable to say that we do not want rich capitalism. But how can we say that we want poor socialism and communism? As a result, China's development ceased and we were forced to reconsider this question. The first thing we take into consideration was that we must adhere to socialism. But in order to adhere to socialism, we must, first of all, shake off poverty and backwardness and vigorously develop the productive forces so that the good point that socialism is superior to capitalism can be displayed." He pointed out sharply: "If socialism is always poor, it cannot stand firmly."

The socialist economic and political systems cannot be consolidated and developed without its material basis, which is the most fundamental condition. The essential contents of the socialist economic system, such as the economic structure with public ownership as the main body and the form of distribution with distribution according to work as the main body, must be ensured and perfected by increasing the productive forces and strengthening the material basis. Likewise, the socialist political system must be consolidated on the basis of full economic development. First, increasing economic strength is the foundation of the political independence of the state. Deng Xiaoping clearly pointed out: "In order to have true political independence, the first thing a state must do is to shake off poverty." Second, the consolidation of the people's democratic dictatorship must be ensured by a political situation of stability and unity. But to a great extent, political stability depends on economic development and the solution of economic problems. As early as the beginning of 1950, Deng Xiaoping already pointed out: Without solving economic problems, "the foundation of politics will be shaken." "Economy is the foundation of politics. What can we do if the foundation is weak?" Third, without the support of the masses of people, we cannot maintain and



perfect the basic political systems of socialism. Promoting economic construction and realizing socialist modernization represent "the greatest and most fundamental interests of the people." Only by vigorously developing the productive forces can we gradually increase the level of the people's material and cultural life and only thus can we make them understand more deeply that the party is fighting for the realization of their fundamental interests. Only thus can the political system of the people's democratic dictatorship be established on a profound mass foundation.

In short, socialism is an advanced social system. Only by giving full play to its superiority, creating a labor productivity that is higher than the capitalist labor productivity, establishing a profound material basis, and ensuring that the increasing needs of the people's material and cultural life can be satisfied, can socialism have lasting vitality and attraction in the people's minds and can the socialist system be consolidated and developed. Therefore, Deng Xiaoping clearly pointed out: "There are many tasks for socialism, but the most fundamental one is to develop the productive forces." "If the productive forces are not developed and the people's standard of living is not increased, we cannot say that this conforms to the demands of socialism." Deng Xiaoping also pointed out profoundly that deviating from the center of economic construction, socialism "will face the danger of losing its material basis." For this reason, he made promoting economic construction with one heart and one mind, developing the national economy, and developing social productive forces the party's political line in the current stage. He also emphasized that it is necessary to always grasp this fundamental link firmly.

#### **Enhancing Economic Strength Is an Important Condition for Doing Anything in International Affairs**

At the beginning of 1980, when talking about three major events of the 1980's, Comrade Deng Xiaoping pointed out: "The core of the three events is modernization construction. This is the main condition for us to solve international and domestic problems. Everything will be decided by whether we handle our own affairs well. The role we play in internal affairs depends on the achievements of our own economic construction." The key to whether we can play our role well in international affairs lies in whether we have made achievements in our domestic economic construction and whether we are competitive.

In the contemporary world, the economic strength of a country has an important bearing on world peace and stability. China is a progressive force in maintaining world peace and stability. The more its economy develops, the more it is able to resist hegemonic forces and the more contributions it will make to world peace. In other words, "the more China develops and becomes powerful, the more world peace will be ensured." Judging from a long-term point of view, if China can realize its economic development strategic objectives as

scheduled, it will surely play a much greater role in maintaining world peace and stabilizing the international situation.

At present, international political and economic struggles are very acute. In these struggles, economics is playing an increasingly important role. A well-known U.S. personage once said flauntingly: "A firm and flourishing economy with high productivity is an indispensable foundation for the United States to play its duty-bound role all over the world." He held that the United States's powerful foreign policy, defense expenditures for containing Soviet expansion, and its aid to Third World countries were all backed by its powerful economy. According to him, the most significant thing is that a powerful liberal economy is a "powerful example" for developing countries. His remarks tell us from a negative side that socialism must vigorously develop its productive forces and create labor productivity higher than that of capitalism to give play to its great superiority. Only in this way can its theories and beliefs move and inspire the people and only thus can the socialist system and communist ideas spread widely throughout the world and be accepted by the broad masses of people. Comrade Deng Xiaoping has emphasized this repeatedly. He held that if China's per capita GNP reaches a level close to that of intermediate developed countries by the mid-2000's, then its economic strength will be among the world's most advanced and if we achieve this objective of struggle, the significance will be very great. "It will not only provide Third World countries, which have three-fourths of the world's population, with a path to follow, but, more importantly, will show mankind that socialism is the only way and that socialism is superior to capitalism."

Combating "peaceful evolution" has now become an important task for our party. Indeed, the ideological realm is the vanguard of the struggle between "peaceful evolution" and combating "peaceful evolution" and we cannot for a moment relax such struggles in the ideological realm. Meanwhile, we must also see that there is also a profound economic reason behind this struggle. As Deng Xiaoping said: "Everything is determined by whether we do our work well or not." Internal cause is the foundation of change. In our strategy for combating peaceful evolution, the socialist economy is the foundation. If the achievements in economic construction in a socialist country are great, the superiority of the socialist system will be fully brought into play and communist ideals and belief will be pursued by the members of the society and will become their firm beliefs. Then, the bourgeois ideology and concept of value will have no crack to wedge themselves into and the scheme for peaceful evolution will not succeed. Moreover, only by doing a good job in the socialist economy and making the country powerful can we easily cope with all kinds of complicated international situations. We must, therefore, soberly understand that doing a good job in economic construction is always a fundamental measure in

the struggle against "peaceful evolution." Only by making our foundation strong can we be in an invincible position.

What standard of economic backing will play an important part in international affairs? In the light of the requirements of modern development, Comrade Deng Xiaoping maintains that such an economy "must have competitive power internationally and be measured by international yardsticks." This shows that it is not enough to compare whether the economic strength of a country is strong or weak with its own previous standard, nor can it be compared with the standards of backward countries, but it must be compared with the international yardstick. Only when a socialist country catches up with and surpass a developed country in the world, can we then further prove the superiority of socialism to mankind and play a dominant part in international political affairs.

**Doing Well in Economic Construction Is a Basic Condition for Strengthening Communist Belief and Force of Appeal**

Communism is both a scientific theory and living practice and people's understanding of it can only be unremittingly enriched and deepened with the development of socialist practice.

Comrade Deng Xiaoping has pointed out many times: The aim of Marxism is to achieve communism, and one of the most essential characteristics of communism is to greatly enrich material wealth and to implement the principle of from each according to his ability, to each according to his needs. All this must be built on the foundation of highly developed production.

What the achievements of socialism, as the first stage of communism, are and whether or not its superiority can be brought into play have a direct bearing on the establishment and strengthening of people's faith in communism. People are looking forward to tomorrow's communism through today's socialism. The superiority of the socialist system is fundamentally embodied in the fact that "the social productive forces can quickly develop at a speed the old society did not have so that the people's unremittingly increasing needs of material and cultural life can be gradually satisfied." In 1961, which was a time of natural disasters in our country, Comrade Deng Xiaoping pointed out: "When we talk now, we seem to be not a little just and forceful because the masses have no good food, clothing, and lodging." Likewise, if our economic construction is not done well and the masses' material and cultural life cannot be improved for a long time and lags farther and farther behind that of developed countries, we "cannot justly and forcefully" publicize socialism and communism. The reason Comrade Deng Xiaoping has attached great importance to the strategic objective of the economic development of our country and mentioned this objective in many of his speeches lies in the fact that whether

or not this objective can be effectively achieved is the fundamental test of the superiority of the socialist system.

At present, as complications appear in the development of socialism, some people are somewhat worried about the destiny and future of socialism and even have misgivings. We certainly must strengthen ideological and political work and carry on persuasion and education, but what is most fundamental is to promote the economy and let the facts speak. Deng Xiaoping rightly pointed out: Insisting on the socialist road "is both a process of struggle and a course of persuasion and education, but finally we must persuade those who do not believe in socialism to rely on our development. If we can reach the standard of being comparatively well-off in this century, we can make them a bit clearer; when we build a socialist country to the standard of a medium developed country next century, we can successfully further persuade them and the majority of them can really understand their mistakes."

Comrade Deng Xiaoping's theory on the political significance of economic construction operates from a strategically advantageous position and is extremely profound. If we study it assiduously and fully understand it, we shall surely enhance our consciousness for persistently taking economic construction as the center and doing economic work well.

When we stress the political significance of economic work, we do not mean that economic work can replace politics, but so long as a good job in economic construction is done and the material foundation is strengthened, all problems can be solved. Comrade Deng Xiaoping has said before: We cannot win victory in the revolution and construction by merely relying on material conditions. Particularly at present, as our economic construction is carried on in an extremely complicated situation, we must have a clearer and more definite political orientation. Deng Xiaoping has stressed on many occasions that our four modernizations are four socialist modernizations. He describes the strategic objective of economic development as a political objective because he wants to explain that our modernizations are modernizations with historical content different from capitalist modernization and are the practice of socialism. In this objective, the future of socialism, the consolidation and improvement of the socialist system, and the development of socialism merge into one body. While taking economic construction as the center, we must attach great importance to political building and strengthen work in the ideological realm. We must act in an all-round way according to the party's basic line of "one center, two basic points." Only by doing so can we unremittingly push forward socialism with Chinese characteristics.

**Tariff Breaks for State Enterprises Increased***HK0112045191 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 1 Dec 91 p 1*

[By staff reporter Xiao Qu: "Tariffs Eased To Aid Company Cash Flow"]

[Text] Further preferential tariff treatment is being granted to big State-owned enterprises to guarantee adequate cash flow.

Although details have yet to be worked out, the General Administration of Customs is considering further cuts in tariffs on the imports and exports of medium-sized and large enterprises, the pillars of State revenue generation, according to director Dai Jie.

Customs authorities will also be more flexible on how and when to collect tariffs.

Firms suffering from "temporary difficulties" can postpone paying taxes, or pay by instalments. This will allow the firms to import urgently-needed raw materials or equipment and earn money from them before they have to pay the tariffs.

Dai said the customs authorities would approve the establishment of more bonded warehouses for businesses processing foreign raw materials for export.

This would enable these enterprises to avoid paying import tariffs. They would only have to pay tariffs when exporting finished products. That should save working capital and reduce the need to borrow.

Under the supervision of the customs authorities, these firms can also provide some of the bonded material for other firms to process, which was formerly not allowed.

Enterprises which have a good record of paying tariffs will enjoy simplified collecting procedures. Those regarded as trustworthy will be free from direct customs supervision, Dai said, and their cargoes will go through more quickly.

Further, he said, bonded warehouses specially for storing export products will be built in ports. Enterprises which wanted to wait for better prices for their products on world markets would be able to put their goods into those warehouses where they would be considered to have been exported.

Dai said research centres affiliated to exporting businesses could also enjoy preferential tariffs.

The customs will also regularly provide world market analysis and help train personnel in customs procedures.

Dai told Business Weekly that the customs offices have already applied some preferential tariff treatment to help big State-run enterprises replace their machinery.

According to incomplete statistics, these firms were exempted from 6.5 billion yuan (\$1.2 billion) of import

and export tariffs between 1985 and 1990 for the purpose of technical renovation.

Customs offices in Beijing, Shanghai and Guangdong have already begun postponing the collection of import tariffs of big companies.

Some bonded warehouses for storing tariff-free imported raw materials had already been established. Guangdong Province alone had 78 while Beijing had approved another six for company groups this year.

The preferential tariff treatment would, it was hoped, help these bigger State-owned firms to run more efficiently and be more profitable.

**Further on Shareholding Cooperative Enterprises****Dong Fureng Article***HK3010075791 Beijing LIAOWANG in Chinese No 38, 23 Sep 91 pp 16-17*

[Article by Dong Fureng (5516 6534 4356): "Shareholding Cooperative Enterprise—Reform in Enterprise Organizational Form"]

[Text] In the rural economy of coastal areas, nonagricultural industries are rapidly developing in which the family economy, especially in family industries, plays an enormous role. The special advantages of family industries include the following: They are easy to start up with little investment; they absorb surplus rural work force and require low technical expertise; low skilled laborers can easily be employed in them; they adjust to market changes more quickly; and the people who run them have full self-operating rights, clear property rights, and are strongly bound by property. These industries are, therefore, closely related to the interests of those running them. For a fairly long time in the future, family industries will continue to exist but they do have inherent shortcomings. For example, they have an excessively small scale, lack returns of scale, apply technology in a very limited way, have a weak capability of developing new products, have low and unassured product quality, and they are greatly influenced by market fluctuations.

In recent years, nonagricultural industries have developed particularly rapidly in coastal areas, especially those with a larger scale, higher technical expertise, and better product quality run by townships and towns. Enterprises engaging in the "three forms of import processing and compensation trade" have developed still faster. This has gradually made the family industries which have developed relatively rapidly in the Wenzhou area less competitive in the home market and it is very difficult for their products to enter the international market. Because of insufficient information about the market, as well as other reasons, excessive competition and production fluctuations often arise. This harms the family industries themselves and affects market stability.



Therefore, reforming the organizational patterns of non-agricultural industrial enterprises has become an objective need.

I think that the reformed organizational patterns of rural nonagricultural industrial enterprises must meet some of the following major demands: 1) Property rights must be clear and unequivocal; 2) they should facilitate the free flow of the elements of production and optimize their organization; 3) it is necessary to separate administration from the enterprise so that the enterprise will have a full self-operating right; 4) the enterprises must be tightly bound by property and should be responsible for their own profits and losses; 5) the enterprises must have returns of scale such as to be favorable for accumulating, introducing and applying new technologies, developing new products, and improving, monitoring, and controlling product quality; 6) it is necessary to handle the relations between fairness and returns better and bring into play the initiative of enterprise runners, staff, and workers to facilitate the development of socialist elements. In fact, this kind of profitable reform experiment is being tried in various places including Wenzhou, Zhoucun, and Fuyang. Recently, the Rural Reform Experimental Areas Office under the Ministry of Agriculture [MOA] called a "Symposium on Shareholding Cooperative Enterprises in Rural Areas" in Wenzhou. At the meeting, experience in this respect was introduced and enthusiastic discussions were held. I have acquired a better understanding of Wenzhou City's experiment in this respect from the meeting and from on-the-spot observations in some villages in Wenzhou.

In Wenzhou, reform experiments in rural nonagricultural enterprises are generally called development of "shareholding cooperative enterprises." I have learned from on-the-spot investigations that reform of Wenzhou's rural family industries is developing in two directions: The first direction is that industries are run through the joining of shares, thus breaking the limitations of the family scale and gradually abandoning the family-industry enterprise organizational pattern. The second is that, on the basis of retaining family industries, they are organizing joint operating bodies or joint economic bodies. In Wenzhou, people call them "shareholding cooperative main factories." These two kinds of enterprise organizational patterns are now developing and do not yet have a set pattern but their development will overcome the limitations of various patterns of family industries or other limitations. Judging from the fact that the reformed organizational patterns of nonagricultural rural enterprises should meet the major demands mentioned previously, family industries roughly have the conditions but not yet all of them. They need to be gradually improved when their scale is being enlarged in the future. What follows are some brief views.

Judging from enterprises formed in the first direction they, in fact, include several different kinds of enterprises. The first kind is where all enterprise shareholders participate in labor and their share rights are equal. They

do not hire any workers or hire only a few. This kind of enterprise is a cooperative enterprise. It is unimportant whether or not it should be called a "shareholding cooperative enterprise" because participants in a cooperative enterprise generally possess share funds. We should not, of course, confuse it with a joint-stock enterprise which raises funds by issuing shares. The second kind is that shareholders hold a majority of shares while staff and workers do not hold shares, and even if staff and workers do hold shares, their proportion of the share funds is very small. This kind of enterprise does not follow the regulations laid down by Wenzhou regarding the distribution and use of post-tax profits. The enterprise can be a joint-stock enterprise or a partnership enterprise. For this kind of enterprise, Wenzhou City's regulations regarding "shareholding cooperative enterprises" can serve as a guide for the distribution and use of post-tax profits. The third kind is that shareholders hold a minority of shares, and staff and workers hold either a few shares or none at all. It is run and managed according to the regulations regarding "shareholding cooperative enterprises" laid down by Wenzhou City. The regulations provide that of the post-tax profits, 50 percent is used for enlarging reproduction and is registered in the names of shareholders, no more than 25 percent are dividends and bonuses, 10 percent is used as a welfare foundation and reward foundation for staff and workers, and 15 percent is accumulated as common funds which can be used for developing production and which must not be registered in the names of staff and workers. There are some other provisions as well. At present, there are not too many enterprises of this kind. The regulations regarding the distribution and use of post-tax profits formulated by Wenzhou City for "shareholding cooperative enterprises" are aimed at helping to enlarge production and prevent shareholders from seeking short-term interests or a distribution of profits. They help look after the interests of staff and workers, condition the income distribution within an enterprise, and guard against widening income gaps. The proposal that the 15-percent of common accumulated funds that cannot be distributed to individuals is intended to gradually increase the enterprise's collective economic sectors and socialist factors. This portion of assets will gradually increase, but its shortcoming lies in the ambiguity about property rights, thus conflicting with the first demand mentioned above. I am thinking whether they can be registered in the names of staff and workers as share funds they hold. To make it easy for shareholders to accept this, we can appropriately reduce wage and bonus proportions in the income of staff and workers and increase the proportions of post-tax share funds obtained from public accumulation and other returns. This may help stimulate the initiative of staff and workers and increase their role and functions in an enterprise. It is possible to further discuss how to determine the nature of these three kinds of enterprises. If they strictly follow the regulations, the elements of cooperation will naturally gradually exist and increase.

In order to strengthen management of "shareholding cooperative enterprises," it is very important for the enterprise accounting system to be improved and strictly followed; otherwise, it is completely possible, even through the distribution ratio and use of post-tax profits for the items mentioned above, for shareholders and runners of an enterprise to cheat in the accounts or shift profits elsewhere, thus greatly reducing the post-tax profits that could be distributed and used, and even making them "non-existent." In view of this, the regulations mentioned above can only be paper ones and can have no actual binding force on these enterprises.

The joint family industrial bodies formed in the second direction, namely, "shareholding cooperative main factory," is an invention with a good deal of significance, though it is rather unstandardized so far as the modern enterprise's organizational pattern is concerned. These "main factories," which were built less than a year ago, have different patterns and are continually developing and changing. Generally speaking, one main factory is set up in one administrative village or township, hence the phrase "one main factory in one village produces one special product." For family industries in a village, the main factory practices unified guidance and management, uses unified quality standards, conducts unified quality tests and issues certificates accordingly, collects taxes and fixes prices for product sales in a unified way, standardizes account numbers and accounts, unifies trademarks management, and supplies all family industries (called "branch factories" locally) with raw materials, spare parts and components, market information, transportation and sales, accounts settlement, and other services. The share funds of the "main factory" come from joining "branch factories" and partially from township collectives. They include a village's land as an investment or share. This kind of "main factory" differs greatly from the "household operations" generally practiced in Wenzhou in former times. Now, the "main factory" is no longer an empty framework as is a nominal "collective enterprise," but to a certain extent has become an economic entity. Some people say that this kind of joint operating body or joint economic body is a pattern found in the "system of unified management combined with independent management" in nonagricultural industries and that it helps promote the development of the rural collective economy. This makes sense. I carried out an investigation into Ruian City's Xianjiang Plastic Shoes Main Factory and found that it is very well run. Ouhai County's Quxi Town Leather Making Main Factory also does very well. This kind of enterprise organizational pattern has much room for development in the "main factory" itself and in relations between the "main factory" and "branch factories." As far as the present situation is concerned, it is necessary to guard against the "integration" of administration and enterprise (for example, the integration of the Committee of Villagers and the main factory. The village is not a first-level administrative power. Here we use the concept of "administration.") This is a common problem for numerous township-run and village-run

enterprises. Moreover, it is necessary to pay attention to clarifying property rights over the "collective property" of the "main factory." Some factories will gradually become main investing bodies and will have industries set up with their own investments. This is a feasible way of strengthening the economic strength of the "main factory." Furthermore, the majority of "main factories" are set up according to administrative villages. They absorb family industries throughout the village that produce the same kind of products. But in order to promote the flow of the elements of production, the "main factory" should not be limited by the administrative village. The "one main factory in one village produces one special product" pattern is feasible at the preliminary stage of building joint operating bodies and joint economic bodies of family industries. However, it must not be used as an unchangeable principle. We should arrange for the future according to the rules of the commodity economy. I believe that Wenzhou's family industries are reforming the enterprise organizational pattern in the two directions mentioned previously. This is an inevitable result of the development of the commodity economy. It offers us numerous valuable experiences for future theoretical exploration. [See Du Ying article on the subject of shareholding cooperative enterprises, with a first paragraph editor's note, also carried in the 23 September 1991 issue of LIAOWANG, published in the Economic & Agricultural section of the 5 November China DAILY REPORT, beginning on page 39, left-hand column of the page.]

#### Wang Jue Article

HK2810105391 Beijing LIAOWANG in Chinese  
No 38, 23 Sep 91 pp 18-19

[Article by Wang Jue (3769 3778): "Shareholding Cooperative Enterprises—Useful Exploration"]

[Text] Judged from the shareholding cooperative system in the several experimental zones of rural reform in Shandong's Zhoucun, Anhui's Fuyang, and Zhejiang's Wenzhou, it is not difficult to see that the system of shareholding cooperative economy can be a better way to deepen economic restructuring in the rural areas, although the situation is complicated and most areas are still in the initial stages.

The emergence of the shareholding cooperative system is a phenomenon which is in accordance with the law of the process of rural reform in our country.

In the vast rural areas of our country, after achieving the reform bringing in the system of contracted responsibility on a household basis with remuneration linked to output, world-renowned achievements have been made. These achievements are mainly manifested by the emergence of a large number of professional operators of various kinds, hence breaking through the long-existing old pattern of natural economy in the rural areas and beginning the change to a commodity economy. This kind of change means developing in the direction in

which a lot of surplus labor shifts from primary industry to secondary and tertiary industries. Hence, township and town enterprises have developed rapidly, the building of material and spiritual civilizations in the vast rural areas has leaped forward, and many peasants have gone from poverty to the affluence which they had dreamed of day and night, leading to a comfortable life that is more than having adequate food and clothing. However, this kind of economic style, which has households as units and individual laborers as the foundation, has continued to reveal its limitations characteristic of petty production. They can only look for a way out by improving scale, standard, and returns, so as to facilitate further development. Therefore, they cannot but practice union on this preliminary foundation of division of labor in society. Among many patterns of union, naturally the shareholding cooperative system has begun to take shape. Through the party's and government's prompt guidance and support, the shareholding cooperative system economy has emerged as the times required. Therefore, we can say that the shareholding cooperative system economy has emerged alongside the development of division of labor in society and the development of commodity economy amid the rural reform in China, that it is in accordance with the law and demands of the development of social productive forces, and that it is an advanced new thing which should be given active support and correct guidance.

The typical pattern of the shareholding cooperative system is a new cooperative system, and it should belong to the domain of socialist collective economy.

The problem of the nature of the shareholding cooperative system is a problem which the people are most concerned about and have most discussion about. Because the shareholding cooperative system, which is formed by union, is still at the initial stage, its pattern is very complicated, and it is rather difficult to define its nature. However, judging from the more typical of its patterns, its basic feature is the union of labor and capital as the main body; that is, it is a union of labor and a union of capital. The main body of the union is the laborers on the one hand and the owners of capital on the other. Therefore, it is correct to say it is a new cooperative economy belonging to the domain of socialist collective economy. Judged from the internal conditions of the shareholding cooperative system, first, it enables laborers to change from dispersed individual labor to united collective labor. It overcomes the limitations of individual labor on the one hand, and avoids the exploiting nature of employer-employee relations on the other, forming a united laboring organization which has a certain scale of returns, equality, and reciprocity. Second, it changes dispersed private property into collectively owned property in the form of shareholding, enabling ownership of property to undergo decomposition of a social nature. Thus, it ensures that laborers possessing property will attain individual ownership rights through gains in the shareholding pattern, and enables dispersed individual physical property to

become socialized property commonly controlled by enterprises. Because this kind of physical property cannot be divided and retrieved, it can guarantee the integrity and stability of enterprises and, under the socialist system, it becomes collective property owned by society. Third, the principle of income distribution for this kind of shareholding cooperative system has a very high proportion of distribution according to work. Within the proportion of distribution according to capital, a large portion is used for accumulation and expanding reproduction. At the same time, apart from the portion for taxation, there must be production preparation funds (accumulation funds), labor protection funds (welfare funds), education funds, and so on. These actually form the property publicly owned by society.

Let us look at the external conditions. The shareholding system is based on the big social premise that has the socialist ownership system economy as the mainstay and guidance. At the same time, it has the macroeconomic regulation and control policy of a socialist country as guidance. Through industrial policy, taxation policy, and the labor and social welfare policy, the state can ensure that the shareholding cooperative system economy develops healthily in the direction of the socialist road. To sum up the above discussion, we can say that the shareholding cooperative system is an improved form for the current individual economy in the rural areas to attain the ownership system of socialist collective economy.

The shareholding cooperative system can become an important means to attain industrialization in the rural areas, as well as to attain commercialized, socialized, and modernized production. It can thus become an important component part of the building of a socialist economy with Chinese characteristics.

Judged from the current situation of the initial stage, its future development may appear in two basic patterns. First, labor and capital unified in the same main body of the shareholding cooperative system. This is a more typical pattern, and we should make efforts to induce the extensive development of this kind of shareholding cooperative economy. Second, the number of members of a shareholding cooperative system is limited. In addition, many workers are hired to work but not to invest. The advantage of this pattern is great flexibility in operation, while its shortcoming is that it may become a private shareholding economy, but it is nevertheless better than petty production, and if we can properly guide it we may gradually absorb a large number of workers who buy shares, and enable it to develop in the direction of a shareholding cooperative system.

Judged from the actual situation in Zhoucun, Fuyang, and Wenzhou, there is much room for the shareholding cooperative economy to develop; on the basis of continually summing up experience in practice, we should develop and improve its content and style so as to enable this kind of shareholding cooperative economy, which has Chinese characteristics, to develop healthily.



**Hebei Governor on Developing Productive Forces**

HK2311063291 Beijing ZHONGGUO JINGJI TIZHI  
GAIGE in Chinese No 10, 23 Oct 91 pp 31-35

[Article by Hebei Provincial Governor Cheng Weigao: "Ruling Party Must Strive To Develop Social Productive Forces—Experience in Studying Comrade Jiang Zemin's Important 1 July Speech"]

[Text] Comrade Jiang Zemin's "Speech at a Meeting in Celebration of the 70th Anniversary of the Founding of the CPC" is a document integrating Marxist theory with China's specific conditions in the new period, a programmatic document guiding our future work, and a powerful ideological weapon for uniting the entire party, armed, and people in building socialism with Chinese characteristics. Under the present complicated international situation, this speech, proceeding from China's history, present state, theory, and practice, explicitly expounds the need to persist in Marxism, CPC leadership, proletarian dictatorship, and the socialist road. Apart from drawing up the general blueprint for building socialism with Chinese characteristics from the economic, political, and cultural angles, this speech has also set forth a number of basic principles and policies to point out the road ahead. As long as we move forward in the direction pointed out by this speech, our economy will develop, our country will grow prosperous and powerful, our people will live a happy life, and our socialist system will display its vigor and vitality.

Because the speech is rich in content and has far-reaching theoretical and practical significance, we should make great efforts to study its essence and to implement it comprehensively and accurately. Here, I would like to talk about some of my understanding of the problem of the fundamental task of socialism, which is to develop social productive forces.

Developing social productive forces is not only the fundamental task of socialism but also the historical mission of communists.

Developing these forces being the fundamental task of socialism is determined by China's basic national conditions, the basic theory and practice of scientific socialism, and an inherent need to consolidate and develop the socialist system. In his important 1 July speech, Comrade Jiang Zemin explicitly pointed out: "The fundamental task of socialism is to develop social productive forces. During this initial period, we should consciously and unrelentingly take this task as the central issue."

The Third Plenary Session of the 11th CPC Central Committee proposed that the party should shift its work focus to the central task of economic construction, and laid down the basic line of taking economic construction as the central task, adhering to the four cardinal principles, and persisting in reform and opening up. The party proposed this according to its correct analysis of the basic national conditions.

—The main contradiction in China's society at present is the contradiction between the people's increasing material and cultural needs and backward social productive forces. Great development has been made in economic construction since the founding of the PRC, but China has a big population, a poor foundation to start with, and a low level of productive forces. Therefore, developing social productive forces should be taken as the fundamental task.

—Although class struggle is not the main contradiction in our country, it will exist for a long time in certain spheres and may become tense under certain conditions. This struggle finds expression in the antagonism between bourgeois liberalization and the four cardinal principles, with focus on political power; it is closely connected and intertwined with the struggle between infiltration and opposing infiltration, subversion and opposing subversion, and "peaceful evolution" and opposing "peaceful evolution," which is going on between reactionary international forces and ourselves. Therefore we should adhere to the four cardinal principles and ensure that our socialist system and proletarian power remain firm.

—Although the socialist system has taken root in China and initially displayed its superiority, it is still imperfect and immature. Therefore, we must persist in reform and opening up and make efforts to improve and develop our socialist system.

On the basis of summing up experience in implementing the party's basic line, the Seventh Plenary Session of the 13th CPC Central Committee proposed 12 principles of building socialism with Chinese characteristics. The basic line of "one central task, two basic points" completely corresponds with these 12 principles; they have formed an organic entity. Our national conditions are the basis for drawing up our basic line. The 12 principles have enriched the basic line and made it more specific. The basic line and the 12 principles integrate themselves in building socialist economy, politics, and culture with Chinese characteristics; both are aimed at developing social productive forces, bringing about overall social progress, and realizing socialist modernization. Therefore, in my opinion, whether we take the development of social productive forces as the fundamental task is not simply a matter of work priorities, but involves the problem of whether we can comprehensively and accurately implement the party's basic line and the 12 principles. This is a fundamental criterion to judge whether a Marxist party pays attention to the main contradictions after it assumes power and is a principled problem with a direct bearing on whether we can build socialism with Chinese characteristics. Communist Party members, particularly leading cadres, should have this understanding and consciousness. They should be aware of their historical missions, should concentrate their efforts on developing the productive forces, and should consciously take part in socialist modernization.

In developing social productive forces, it is necessary to understand solidly the basic requirements for building a socialist economy with Chinese characteristics.

In his 1 July speech, Comrade Jiang Zemin used the basic principles of Marxism to provide an explicit and scientific theoretical summation of the basic nature of and requirements for building a socialist economy with Chinese characteristics with regard to ownership composition, the distribution system, the economic structure, and operational mechanism. This is a summation of experience in building the socialist economy for the last decades, and is also the inheritance, enrichment, and development of Marxist theory of socialism and economics. In developing social productive forces, we should solidly understand Comrade Jiang Zemin's three requirements for building the socialist economy with Chinese characteristics and should constantly explore specific ways to fulfill these basic requirements and improve policies and measures so that this economy will grow stronger.

First, other types of economic sectors should be allowed and encouraged while exercising socialist public ownership over production materials. Marxism holds that the form of ownership for production materials is very important in social production relations and determines the nature of all production relations. The socialist economic system is fundamentally different from the capitalist economic system because public ownership is exercised over production materials. Exercising public ownership over production materials gives expression to the fundamental interests of the people, and thus determines that the socialist system will finally triumph over and replace the capitalist system. Therefore public ownership is the economic base of China's socialist system.

But we cannot unrealistically seek "purity" on the question of ownership because China is still in the initial period of socialism and its productive forces are still at a very low level. After the Third Plenary Session of the 11th CPC Central Committee, our party seriously summed up historical lessons and experiences and clarified the need to allow and encourage the appropriate development of individual and private economic sectors and foreign-invested enterprises, while at the same upholding, consolidating, and developing the principal role of the publicly owned economy. While bringing into play the supplementary role of non-publicly owned economic sectors which are necessary and beneficial to the publicly owned economy, economic, administrative, and legal means are applied to strengthen management and guidance over these economic sectors to restrict their negative aspects. Of China's gross industrial output value, the publicly and collectively owned sectors account for about 90 percent, whereas the individual and private sectors, as well as foreign-invested enterprises, account for scarcely 10 percent. Therefore instead of restricting non-public-owned economies, they should be encouraged and supported according to state regulations

so that they will develop on an appropriate scale, the condition being that the publicly owned economy must remain the principal body.

On the question of preserving the principal role of the publicly owned economy, Comrade Jiang Zemin stressed two points in his 1 July speech: One is invigorating large and medium enterprises, and the other is strengthening agriculture, which is the foundation of the national economy. Only when these two points receive proper attention will the socialist economy develop on a solid basis.

Second, a distribution system based on work as the principal body should be practiced while making other distribution forms subsidiary. A distribution system is a specific form of ownership. Because public ownership remains the principal body of China's ownership system, this determines that distribution according to work must be the main component of the country's distribution system. Distribution according to work is the basic feature of economy under socialist public ownership and is an advanced distribution system suited to the development of the productive forces. Since reform and opening up, we have changed egalitarianism and the practice of "everybody eating from the same big pot," but due to problems in ideology and policy, egalitarianism and unfair distribution exist at the same time. Egalitarianism exists among people working in the same group and unfair distribution exists between different groups. Egalitarianism is so serious that it restricts worker initiative. This is an important reason why some departments are inefficient and some enterprises have registered worsening economic results. We must make up our minds to change this situation through reform, to practice distribution according to work, and to bring into full play the initiative, enthusiasm, and creativity of workers.

The existence of a non-publicly owned sector in the present period also determines the impossibility of practicing distribution according to work alone, as well as the need to allow other distribution forms for supplementary purposes. Distribution forms other than according to work are beneficial to the development of diversified economic sectors and social productive forces. They are legitimate and permissible in the present period although there are some irrational factors in them. The problem at present is this: Quite a number of individual and private enterprises are acting against the law. This should be solved by improving relevant policies and regulations.

The following should be clarified: On the one hand, we should make up our minds to solve unfair distribution in society; on the other, we should continue to encourage some people to become better off ahead of others by working honestly and doing business legally. The better-off should help the poor to become better off. This will lead to common prosperity and prevent the division of people into two extremes.

Third, there is a need to form an economic structure and operational mechanism suited to development of the planned socialist commodity economy and its integration with market regulation. Developing the planned socialist commodity economy is a breakthrough and leap in the party's understanding of the socialist economic system and is also a remarkable contribution of Comrade Deng Xiaoping and other older generation proletarian revolutionaries. The formation of an economic system and operational mechanism suited to the integration of the planned economy with market regulation suggests a deeper understanding of the development of the planned commodity economy. The integration of planning with market regulation provides a guarantee for the healthy development of the planned commodity economy.

China's socialist economy is a planned commodity economy based on public ownership. This necessitates the formation of an economic operational mechanism which integrates planning with market regulation. Planning and market regulation are means and forms to dispose of resources and regulate economic operations. These two are combined in the development of the planned commodity economy and the carrying out of socialist modernization with Chinese characteristics. We should understand that in the course of developing the planned socialist commodity economy, those who do not study or develop markets will fall behind.

It is very important to acquire a new and correct understanding on some basic problems such as the meaning and functions of plans and markets. Plans should not exclude the law of value or market mechanisms; markets should not reject macrocontrol or operate in an unbridled and disorderly way. The basis of integration between plans and markets are commodities and the law of value.

It is necessary to create gradually the basic conditions for the organic integration of the planned economy and market regulation in the course of deepening reform: 1) It is necessary to set up a scientific and effective system of overall balance; 2) the planning system and methods should be reformed and improved; 3) a socialist market system should be set up along with the formation of the price management system and the establishment of a price formation mechanism; 4) basic economic relations should be straightened out, such as those between central and local governments and between governments and enterprises, with a corresponding change in government functions.

In developing social productive forces, it is necessary to focus on economic construction.

The important contributions of the Third Plenary Session of the 11th CPC Central Committee were its summation of historical lessons and experiences, its clear-cut decision to shift the entire party's work focus to the central task of economic construction, and its efforts to bring about this great historic change. Comrade Deng

Xiaoping has time and again instructed the entire party to concentrate its mind on modernization and never to allow any interference in it or to relax for a single moment. In his 1 July speech, Comrade Jiang Zemin explicitly pointed out that we should always focus on economic construction in the entire course of socialist modernization. All work of the party and the state should cater to and serve this central task and should never deviate from it, still less should it interfere in it. We should profoundly understand the essence of these explanations, solidly establish the idea of taking economic construction as the central task, and make unswerving efforts to carry out economic construction.

In focusing on economic construction, it is necessary to emancipate our minds, to update our concepts, and, in particular, to understand comprehensively and accurately the meaning and essence of "one central task, two basic points." "One central task" and "two basic points" are an organic entity. "Two basic points" must be combined with "one central task," which in turn should serve as a guarantee for "two basic points." Whether economic construction is carried out well along with the development of social productive forces is not only an economic problem, it is also a political problem involving social and political stability and the consolidation of the socialist system. On this question which involves the socialist cause, all Communist Party members and leading cadres must have a sense of responsibility and urgency and remain firm in opposing "peaceful evolution" and resolute in carrying out economic construction.

In focusing on economic construction, it is necessary to form a coherent force and to make all work cater to and serve this central task. In focusing on economic construction, there is a need to form a habit and mechanism in which people are interested in economic work and economic research. Cadres who are firm in politics and familiar with the economy should be selected for leading posts in economic construction. In focusing on economic construction, we should ensure the implementation of the Eighth Five-Year Plan and the 10-Year Program.

In developing social productive forces, we should consciously rely on advanced science and technology and improve the quality of workers.

Relying on advanced science and technology and improving worker quality is a strategic decision of the party Central Committee. It is a deeper concept about focusing on economic construction, an effective way to speed up socialist modernization, and an objective need to break away from blockades and remain invincible in international competition.

In relying on advanced science and technology and improving worker quality, the crux is to understand profoundly Comrade Deng Xiaoping's thesis "science and technology are the first productive force." China's productive forces are at a low level, management is not good, productivity is low, and there is a big gap between



itself and developed industrial countries. The main cause of all this is that its science and technology are backward and worker quality is bad. Only 30 percent of China's economic development is attributed to scientific and technological progress, whereas in developed countries the figure is 60 to 80 percent. China's labor productivity is only one-tenth or one-twentieth of advanced countries. We should unify our ideas and take effective measures to ensure the implementation of the principle "science and technology are the first productive force" and to rely on advanced science and technology and improve worker quality in economic construction.

In turning science and technology into a powerful impetus for economic and social development, we should form correct ideas and continue to carry out the principle of "relying on science and technology in economic construction and making science and technology cater to economic construction." First, we should stress the need "to rely on science and technology in economic construction." Second, taking account of immediate interests and looking into the future, we should work out a practical plan which combines economic, scientific, and technological development, with particular attention to the development of high technology. Third, we should deepen scientific and technological structural reform and set up a structure which can integrate science, technology, and education, and turn scientific and technological achievements into productive forces. Fourth, we should cultivate a social habit of respecting knowledge and talented people. Fifth, we should improve leadership over scientific and technological work, increase scientific and technological investments, and introduce a correct policy for the invigoration of science and technology.

To develop social productive forces, we should unremittingly carry out reform and opening up.

Reform and opening up are not only a component of the party's basic line but also a basic state policy and a requirement of the socialist system. Particularly amid changes in the international situation, all Communist Party members and cadres should study Comrade Jiang Zemin's 1 July speech, more profoundly understand the significance of reform and opening up, and resolutely carry out reform and opening up.

To carry out reform and opening up in a correct direction, and to achieve the expected results, we should handle well these three problems in work: 1) The problem of making a clear distinction between two antagonistic views on reform and opening up; 2) the problem of handling relations between deepening reform, developing the economy, and preserving social stability; 3) the problem of handling relations between self-reliance and opening up.

In developing social productive forces, we should persist in building socialist material and spiritual civilizations.

Socialism is aimed at building both material and spiritual civilizations. This is an overall understanding of the

CPC on the question of socialism and is also the enrichment and development of the theory on scientific socialism. Bringing about socialist spiritual civilization is not only our objective, but also a guarantee for our economic construction.

In carrying out the "two civilizations" simultaneously, we should have a clear idea about the dialectical relations between them. Comrades engaged in political and ideological work should clearly understand Lenin's thesis of "politics being the concentrated expression of economy," cater to and familiarize themselves with economic work, carry out political and ideological work in the course of production and professional work, bring into play cadre and mass initiative and creativity, and make a success of socialist modernization. Comrades engaged in economic work should remember Comrade Mao Zedong's teaching of "political work being the lifeblood of economic work" and combine economic work with political and ideological work in the course of carrying out socialist modernization with Chinese characteristics.

In carrying out the "two civilizations" simultaneously, we should focus on economic construction and persist in reform and opening up. Under these preconditions, we should make earnest efforts in the following aspects: First, taking account of changes in the grim international situation and the mental status of party members and cadres, we should conduct education on upholding the four cardinal principles, national conditions, party tradition, socialism, and collectivism, so that all party members and cadres will build up a wall of steel in their minds against "peaceful evolution." Second, we should correctly handle relations between the ruling party's economic policy and its lofty ideal of communism, and encourage the people to carry forward the spirit of hard struggle and devotion. Third, we should unswervingly carry the struggle against corruption through to the end; those who violate party and government discipline and state law must be severely punished. Fourth, real efforts should be made to strengthen leading groups and to promote to leadership posts those who are loyal to Marxism, socialism, and the CPC, who have morality and talent, and who do something practical and good for the people.

#### Commentator on Harnessing Rivers, Lakes

HK0212042591 Beijing RENMIN RIBAO in Chinese  
29 Nov 91 p 1

[Commentator's article: "Persist in Harnessing Rivers Through Concerted Efforts"]

[Text] An upsurge of building water conservancy facilities is vigorously arising throughout the country on an unprecedented scale. After winning the great victory in resisting the floods through concerted efforts, the civilian people and the military troops in their hundreds

of millions are now writing the new chapter of harnessing rivers and lakes by making concerted efforts with high morale.

From ancient times, the Chinese nation has had the fine tradition of making concerted efforts to harness rivers. However, only by relying on the superiority of the socialist system after the founding of New China could this fine tradition be really carried forward. In more than 40 years, many water conservancy projects, including some famous projects that cover more than one province and more than one river basin, were constructed as a result of the cooperation of various quarters concerned. For example, when the project of harnessing the Huai He was carried out in the 1950's, the people on both sides and in both upper and lower valleys of the river acted in unison and worked in full cooperation with one heart and one mind, and the first batch of large backbone water conservancy projects in our country was thus completed successfully. They yielded great results in diminishing disasters and increasing benefit in later years. In the new period of economic development, we need to bring about a new situation in developing more water control projects, and must continue to hold high the banner of working in full cooperation in this field.

To effectively harness rivers, we must command good knowledge about water and act in line with its objective regularity. As a popular saying goes, both water and fire are merciless. This plainly points out the special characteristics of water flow. Once floods and inundations arise, disasters will spread and transcend the administrative boundaries. On the other hand, after scientific methods are used to harness rivers and to turn water from a scourge into a benefit, many localities can all share the benefit. This characteristic determines that people must bear in mind the interests of the whole in the course of handling water control projects, and must follow the principle of working in full cooperation. There must be no artificial separation and people must not go their own ways without showing concern for other peoples; still less can they block flows or dig canals in an unplanned and disorderly way, thus shifting trouble to other localities. From ancient to modern times, practical experience has repeatedly shown that if water control projects are carried out in full cooperation among all localities concerned, then benefit will be brought to all of them; on the contrary, if each goes its own way without regard for others, then no expected results will be achieved even though painstaking efforts are made. Therefore, full cooperation and concerted efforts in the water control work is not only a moral requirement for the sake of the general interests of the whole, but is also a need in order to act scientifically according to objective regularity.

The scientific outlook on water control is the mental foundation for people's action. Formulating a scientific and unified overall program is an important precondition for harnessing rivers in full cooperation. Either the project of harnessing a river valley or the project of

effecting water control in a geographic area is a complicated system engineering project which involves various localities and departments and constitutes a manifold interest common body. With only the desire to work in full cooperation and without scientific planning, there will be no effective coordination in the upper, middle, and lower valleys of a river, and it will be hard for various localities to make concerted efforts over a long time. Harnessing rivers is a long-term task that has a vital bearing on the well-being of the contemporary people as well as the future generations. The departments concerned must make painstaking efforts to conduct careful and detailed investigations and studies, repeatedly comparing different schemes, strictly proving the feasibility of the selected schemes, and perfectly formulating the overall programs for harnessing rivers. The utmost effort must be made to scientifically coordinate relations between the upper valley and the lower valley, between the left bank and the right bank, between various localities, between various departments, and between immediate and long-term interests. The principle of making partial and local interests subordinated to the general interests of the whole must be persistently maintained. The work of overcoming the bane should be combined with the work of increasing the benefit; and the work of preventing floods should be combined with the work of resisting drought. Flood prevention, drainage, irrigation, water supply, hydropower production, and water transportation should all be properly coordinated. It is necessary to allow various quarters concerned to be well aware of their responsibilities as well as the benefit they will enjoy. The projects should be conducted in stages and in various localities under the guidance of the unified plan. The initiative and creativity of all localities in water control should be brought into full play.

Most water control projects require painstaking efforts over a long period of time in a vast geographic area. So leadership must be strengthened, and coordination must be made more effective. This is of great importance. When a project is carried out in several or even more than 10 provinces for a period of several or more than 10 years or for a longer period, it is inevitable that some unexpected new contradictions will arise, and various frictions and disputes will be unavoidable. Party committees and governments at various levels and in various localities should actually strengthen their leadership, and set an example in guaranteeing the general interests of the whole and settling contradictions according to the principle of mutual understanding and mutual accommodation. At the same time, special administrative organs should be set up to perform the duties of handling routine organization and coordination affairs in light of the laws, thus fairly settling contradictions and disputes in good time and promoting various quarters concerned to work in better cooperation. At present, special water control administrative organs have been set up for all major rivers in our country, and a large number of outstanding technical personnel have been working with these organs. In the past decades, they all faithfully

performed their duties and made great contributions to new China's water control cause. They have also accumulated useful experience in guiding and coordinating the work in this field. Henceforth, it is necessary to further create necessary conditions for their work and to encourage them to display their initiative in their work. These organs should be turned into water control headquarters with real powers so that they can play a greater role in guiding and coordinating the work of harnessing rivers.

Water control is an undertaking of the whole society, so it needs care and support from all social circles. People in all walks of life should take action to make contributions to promoting the development of our country's water control undertaking.

### **Zhu Rongji Sends Message to Coal Conference**

*OW0212032091 Shanghai People's Radio Network  
in Mandarin 1000 GMT 1 Dec 91*

[From the "News and Weather" program]

[Text] The 1992 National Coal Conference opened in Shanghai today. Ye Qing, vice minister of the State Planning Commission, and Shanghai Mayor Huang Ju attended and addressed the opening ceremony. Nearly 1,000 deputies from various provinces and cities will fully discuss the plan for coal distribution in 1992.

On behalf of the Shanghai Municipal Party Committee and Government, Huang Ju warmly welcomed deputies who came from afar and expressed his heartfelt gratitude to the State Council, the Advisory Commission of the CPC Central Committee, and localities around the country for their support to Shanghai. He also briefed the deputies on Shanghai's economic development and the development of Pudong. Vice Minister of Energy Resources Hu Fuguo chaired today's conference.

Shanghai has held three successive national conferences on placing orders for coal. Vice Premier Zhu Rongji has issued a special instruction on this occasion, calling for a diligent and honest conference.

Also attending today's opening ceremony were Vice Minister of Railways Shi Xiyu; Zhang Baoming, vice president of the China National Coal Mine Corporation; Shi Wanpeng, deputy secretary general of the Production Office under the State Council; and persons in charge of the relevant departments under the State Council.

### **Commerce Ministry Announces Bumper Cotton Harvest**

*OW0112170391 Beijing XINHUA Domestic Service  
in Chinese 2117 GMT 30 Nov 91*

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 1 December (XINHUA)—According to the latest news from the Ministry of Commerce, a bumper cotton harvest is a certainty this year. The purchase of cotton is now in full swing, and the quality of

cotton is good. Across the country, the state contract cotton purchase plan will be overfulfilled.

According to the sources, since the middle 10 days of August, the people in cotton-producing areas have been enjoying bright skies, that is, for three months in a row with a little rainfall but adequate light, which is quite helpful to the ripening of cotton crops and the opening of bolls. The situation in cotton production is expected to be better and better. In October, the purchase of cotton was greatly accelerated. For 25 consecutive days from the middle 10 days of October to the first 10-day period of November, an average of more than 10 million dan of cotton were purchased every five days, a rare phenomenon in China's history of cotton purchasing. The purchasing mills or stations in the cotton-producing area universally turned on their cotton gins and ginned cotton early to save space for more stacks of cotton. As of 25 November, the country as a whole had fulfilled 95 percent of the purchase plan; Xinjiang, Hunan, Sichuan, Henan, Gansu, Qingdao, and Tianjin had overfulfilled the state purchase plan.

Vice Minister of Commerce He Jihai, who returned from an inspection tour to the principal cotton-producing areas in Henan, Jiangsu, and Shandong just now, told this reporter that this year, party and government leaders at all levels and all relevant departments, seriously implementing the guidelines of the State Council's cotton work meeting, have adopted effective measures to raise cotton quality and readjust the purchase order, and achieved marked results. This year's strict cotton inspection has curbed the tendency of casually grading cotton, forcing up purchase prices, and deviating from criteria which occurred in some places while cotton was being purchased a few years ago. According to the Hebei, Shandong, Henan, Jiangsu, Hubei, and Anhui joint cotton quality inspection group, which inspected the above-mentioned six provinces' 10 cotton ginning mills, 14 purchasing stations and six visa-issuing stations in the middle and last 10 days of October, over 90 percent of the cotton sample taken for selective examination conformed to the state criteria in terms of cotton grade and fiber length. The purchase order was also remarkably better than that in former years. In the first 10 days of October, the State Council dispatched three cotton purchase inspection groups to resolutely handle the cases of violating policy and criteria, forcing up grades and prices, and rushing to purchase cotton in other places which occurred in areas between a small number of provinces and in a few border areas. Since the middle 10 days of October, the purchase order has been basically smooth.

He Jihai said: Currently, cotton purchasing has entered its middle and late stages. When post-frost cotton comes in, cotton inspection will be difficult because of its complicated quality. It is necessary to publicize and explain the matter well and offer good service in all localities to help cotton peasants raise cotton quality. It is necessary to continue strengthening market management and do purchasing work well from start to finish.



## East Region

### State Organs To Provide Assistance to Anhui

OW3011043091 Beijing XINHUA Domestic Service  
in Chinese 1237 GMT 29 Nov 91

[By reporters Wang Yanbin (3769 6066 175) and Liu Siyang (0491 1835 2254)]

[Text] Beijing, 29 Nov (XINHUA)—Relevant departments of the State Council will provide assistance to corresponding areas in Anhui Province hit hard by floods. Arranged by the National Leading Group for Disaster Relief, the State Council Production Office and the State Planning Commission today held a meeting in Beijing on the provision of functional assistance by relevant departments to study ways to help Anhui's flood-stricken areas resume and develop production.

Long Nian, vice governor of Anhui Province, said at the meeting: In Anhui, the most critical period in flood fighting and relief is over; the next step is to remedy the great damage inflicted by the flooding and revitalize Anhui's economy. However, Anhui is currently faced with many difficulties in developing its industry: more than 2,000 state-owned industrial enterprises and 17,000 village and town enterprises had either stopped or partially stopped operation during the worst period of flooding; the structure of industrial production and product mix are irrational, resulting in the low overall efficiency of its industry; and the county and village industry is frail.

It has been learned that State Council Vice Premiers Tian Jiyun and Zhu Rongji, after returning from their recent inspection tour to Anhui, had called upon the various ministries and commissions of the State Council to provide assistance to corresponding sectors of Anhui in order to help the province develop its economy, regain its vigor, and strengthen its productive function.

Pan Beilei, vice minister of light industry, briefed the meeting on the employment of science and technology in flood relief, and Tan Qinglian, vice minister of construction, briefed them on the assistance given to flood-stricken areas in drawing up and implementing new development plans for the countryside.

Zhao Weichen, deputy director of the State Council Production Office, hopes that the relevant departments will continue to do their best to provide Anhui's flood-hit areas with various forms and kinds of assistance. He specifically called on the departments to send qualified personnel to relevant enterprises in flood-hit areas to provide functional assistance; to provide technical assistance to help them improve production techniques; to assist in improving their product quality and economic returns; to work together with them in developing new products and new technology; to cooperate with them in management and production; to provide them with information and consultation services; to send specialists to the enterprises to make diagnosis; to help them

maintain their equipment; to give them priority for the supply of raw materials and spare parts; to provide new technology and equipment for technological transformation of existing enterprises; as well as to help flood-hit areas carry out proper planning for developing various industries.

Attending the meeting were responsible persons of relevant departments from the State Science and Technology Commission, the Ministry of Energy Resources, the Ministry of Machine-Building and Electronics Industry, the Ministry of Chemical Industry, the Ministry of Textile Industry, the Ministry of Railways, the Ministry of Communications, the Ministry of Materials, the Ministry of Agriculture, the Ministry of Commerce, as well as 23 units dealing with the petrochemical, tobacco, weaponry, shipbuilding, automotive production, building materials, nonferrous metals, medicine, and other industries.

### Jiangsu Farming Aims for Mechanization

OW2111025291 Beijing XINHUA in English  
0201 GMT 21 Nov 91

[Text] Nanjing, November 21 (XINHUA)—Wearing a Western-style suit, Gu Liangbao stood watching the village-owned harvester that was working in the sizable paddy-field he contracted. All he needed to do for the day was to take home the threshed grain.

"Machines have been used in the whole process of grain production, and you don't see men toiling just with their hands in the fields here these days," said Gu Lingyuan, leader of Xiaoshan village where Gu Liangbao lived, who happened to pass by.

Xiaoshan is one of the 577 villages that have been designated to pilot agricultural modernization in the southern part of coastal Jiangsu Province.

Initiated in 1987, the experiment in south Jiangsu, one of the country's richest regions, is among the nation's 12 experimental programs for the second stage rural reform.

"The first stage rural reform, focused as it was on implementing the output-related household contract responsibility system, greatly promoted agricultural production in the late 1970s and early 1980s, but it was found to be unable to further raise production and efficiency after a certain point," said agroeconomist Jiang Jifen, director of the Jiangsu Agro-economic Research Center.

Under the contract system, on the average each household in the area manages merely two to three mu (about 0.13-0.2 ha [hectares]) of farmland, and each household works separately on their small plots, which made it difficult to use large farm machines to achieve higher productivity.

Meanwhile, as rural enterprises mushroomed around the country over the past decade, a large number of farmers turned to jobs which earn them better wages.

According to official statistics, in 1987, only 40 percent of the rural labor force in Jiangsu still were farmers, compared with 87.8 percent in 1976, while the income from farming took up no more than 20 percent of the total for a rural family.

Reluctant to remain in farming, many farmers let those less productive farmland go fallow. This has posed a threat to the development of agriculture.

To tackle the problem, an experiment on agricultural mechanization based on larger-scale farming was introduced four years ago in 126 villages in southern Jiangsu Province.

By integrating several small plots into a unit managed by several skilled farmers, a higher level of mechanization is achieved. This in turn increases productivity.

At the same time, along with the setting up of private farms or village-owned farm companies, a whole set of socialized services for farming has also been formed, including the establishing of many specialized teams which provide farmers with services such as irrigation, sowing, and harvesting with machines.

According to official statistics, the incomes of the specialized teams are 50 to 100 percent more than those who work in rural enterprises.

Since the experiment has been proved a success in the past four years, the test has now spread to many other areas in southern Jiangsu.

The areas that have participated in pilot farming mechanization have turned out a yearly output five to 10 percent more than those that have not joined the experiment, according to official statistics.

The development of larger-scale farming has not only helped farmers make better use of machinery.

In 1990 the total power of farm machinery in southern Jiangsu reached 4.95 million kw [kilowatts], about seven kw per ha, which approaches mechanization levels in advanced countries.

"Farming is no longer a hard and tedious work for farmers," said Wang Quanlun, manager of a farming company in Youyi Village, Wuxi County. The county has been seen as a window for southern China's mechanized grain production.

As a Chinese agroeconomist put it, larger-scale farming has really paved the way for agricultural mechanization, a long-cherished dream for the late Chinese leader Mao Zedong and all rural Chinese.

#### Needy Jiangsu Farmers Seek Associations Aid

OW2111042191 Beijing XINHUA in English  
0308 GMT 21 Nov 91

[Text] Nanjing, November 21 (XINHUA)—On an autumn day, Min Xueliang, an independent farmer, was

busy preparing a harvester for working the 50-mu (about 3.3 hectares) of rice paddies he has contracted, suddenly, the harvester unexpectedly got into motion and cut off five of his toes and he fell.

Upon learning of the accident, his neighbor Ying Rongsheng who contacted the county's farming company immediately sent the injured man to hospital by car. Meanwhile Ying asked the farm-machine team of the village-own farming service station to help harvest Min's paddies.

This actually happened one day in October in Zhitang Township of Changshou city in southern Jiangsu Province. Ying is not only a warmhearted neighbor of the victim, but also the chairman of the township's association of farmers who cultivate land on a large scale. To those farmers, the association is a new home to seek help when they are in need.

Since the late 1970s, China has implemented economic reforms in rural as well as urban areas. A household contract responsibility system was introduced in the countryside to secure each rural household a plot of farmland to work on.

But productivity stagnated after growing to a certain level since modernized farming facilities could not be used to advantage on the scattered pieces of land contracted by individual households.

To tackle the problem, over the past few years many villages in the country have begun to merge land into private farms to be managed by skilled farmers. Productivity has increased and many former farmers who left the fields have found their niche in the mushrooming rural industrial enterprises.

Many of the consolidated farmers have met similar problems in production, marketing, banking, and other issues. To coordinate their efforts to safeguard production, a number of such association have been founded in southern Jiangsu.

The Zhitang Association, which was set up in July 1989, is the first of its kind in the Chinese mainland, according to officials from the provincial government. Other such associations have appeared in several other counties in southern Jiangsu.

The associations are aimed at representing the interests of the farmers, safeguarding their legal rights, presenting their demands and dealing with problems concerning production as well as providing farmers with technological assistance and training.

Zhou Guixing, who runs a private farm in Yaozhen village of the town, witnessed all his farmland submerged by floodwaters in summer this year since southern Jiangsu was one of the areas in the country that suffered heavy flooding from June to August.

However, thanks to the training course that was held by the association soon after the flooding began, Zhou has

managed to save his paddy crops. Contrary to expectations, Zhou got a bumper harvest this autumn.

According to Du Xueming, secretary general of the association, the association holds training courses every two months. But when needed emergency courses may be held at any time.

Provincial and local governments have encouraged the establishment of such associations which help develop large-scale farming. Recently Ying Rongsheng was nominated a 'model worker' by the provincial government, and the city government of Changshou awarded him a rice transplanter.

### Shandong Seeks Overseas Banking Cooperation

OW3011020491 Beijing XINHUA in English  
0123 GMT 30 Nov 91

[Text] Jinan, November 30 (XINHUA)—Shandong Province in east China has scored progress in strengthening international banking contacts and attracting foreign investment in a bid to boost its economy.

By the end of October this year the province had approved 3,350 foreign-funded projects with a total contractual foreign investment of 2.75 billion U.S. dollars.

This year its repayment of matured foreign debt accounted for only 8.3 percent of its total foreign exchange earnings.

Statistics show that the province's debt service rate is 19.8 percent, lower than the internationally-recognized safety warning line.

In further developing Shandong's economy by using banking services an important approach is to accelerate the process of following international standards in banking business and set up close ties with overseas banking counterparts, said Zhang Benzhen, deputy president of the Shandong Branch of the People's Bank of China.

To date, 449 banking institutions in the province are able to handle foreign exchange business.

The Qingdao Branch of the Bank of China has helped the province to obtain loans totalling 2.15 billion U.S. dollars in foreign exchange.

Of the loans, 800 million U.S. dollars came in the forms of bank loans, import buyer's credit, mixed loans and international commercial loans to nearly 100 large and medium-sized projects.

Participants at a just-closed seminar on banking cooperation agreed that Shandong should focus its foreign loans on infrastructure, basic industries and high technology. In addition, banks should issue bonds overseas and establish overseas credit funds as new ways to raise funds.

### Shanghai Symposium on Financing Pudong Development

HK3011013991 Hong Kong TA KUNG PAO in Chinese  
22 Nov 91 p 2

["Special Dispatch" from Shanghai by Kao Hsiao-Hsiao (7559 5135 4562): "Shanghai Holds International Symposium on Raising Funds for Pudong Development"]

[Text] The Pudong Development Project needs a large amount of funds. How should the funds be raised? An international symposium, "Fund-Raising for Pudong Development Project," jointly sponsored by the Shanghai Municipal Investment and Trust Company, the Shanghai branch of the Chinese People's Bank, and the Office of Structural Reform under the Shanghai municipal government was held in a small auditorium in Shanghai's Jinjiang Hotel. Financial experts from countries like France, the United States, and Japan, and others, and regions including Hong Kong, Taiwan, and others, experts from relevant financial organs and enterprises in Shanghai totalling more than 100 persons happily united to carry out in-depth and frank discussions and actively put forth their proposals.

Participants in the symposium generally believed that overall planning for Pudong development has been formulated and that many large and medium-sized municipal infrastructure projects had started. A small number of them had been completed. The Lujiazui financial and trade zone, the Jinqiao export processing zone, and the Waigaoqiao bonded zone have actually started operations. In the new Pudong zone, more than 100 enterprises invested by foreign businessmen and more than 100 enterprises invested in by other provinces and regions have been approved. A number of internal and foreign financial organs have started business operations in the new Pudong zone. Li Zhaoji, president of the Shanghai Municipal Investment and Trust Company, delivered the opening speech at the seminar today. He said: Judging from the present situation, one of the most important problems involving Pudong's development is fund raising and the way to promptly raise the large funds needed for Pudong's development, foreign funds in particular. This is a major issue facing us, which we should profoundly study and explore together. We particularly hope that participants will introduce their experiences in raising funds for development zones and their useful knowledge and views on the issue of raising funds for Pudong's development.

Today, both Chinese and foreign experts talked freely about fund-raising methods. At present, Shanghai has its own ways for doing it. There are enterprises with direct investments by foreign businessmen. Shanghai also accepts loans provided by foreign governments and international monetary organizations. It also makes use of international commercial loans and so on. These methods have their own characteristics and have yielded certain results. At the meeting, Zhou Zhishi, vice president of the Shanghai branch of the Chinese People's Bank, proposed that experiments in the joint-stock



system be expanded and that the number of stocks listed on the market be increased. He also stressed that we should absorb investment from overseas funds for which we should formulate comprehensive policies and provide financial services.

Xie Zongkeng, deputy general manager of the Shanghai Municipal Investment and Trust Company, proposed the use of mutual funds. Apart from setting up mutual funds in Renminbi, we should make active preparations to establish mutual funds with those abroad. Guan Jinsheng, general manager of Shanghai's Wanguo Security Company and his assistants, also spoke at the meeting. They proposed a new way to raise funds through the stock market. Apart from developing China's stock investment and trust business to absorb domestic funds, we can also absorb foreign funds to open up an effective way for the internationalization of our stock market.

Many foreign experts introduced their experiences in raising funds for the development of special zones in foreign countries. They stressed that whether a country could raise funds abroad was determined to a certain extent by whether this country was attractive. To them, China is an attractive country, because its enterprises have good prospects for making profits and are very competitive in the international market. Pudong is also attractive, and its prospects for raising funds are rosy.

#### **Pudong, Yangtze Valley Link Proposed**

OW3011181491 Beijing XINHUA in English  
1548 GMT 30 Nov 91

[Text] Shanghai, November 30 (XINHUA)—The Pudong New Development Zone in Shanghai should be coordinated with the economic development of the whole valley of the Yangtze River.

This was proposed at a symposium held here November 26 to 30. More than 200 experts from Sichuan, Hubei, Hunan, Anhui, Jiangxi, Zhejiang and Jiangsu Provinces as well as Shanghai—all Yangtze River valley areas—attended the symposium.

Experts said the opening and development of Pudong will promote the development of the whole valley of the Yangtze River in the fields of adjustment of the production structure, foreign trade, circulation of commodities and funds, and the spread of information.

According to the symposium, the new development zone will provide new customers and more channels for foreign economic exchange for the enterprises along the Yangtze River valley. On the other hand, the new technology, products, new management methods and capital introduced from foreign countries will benefit the whole valley.

A number of foreign-funded banks and other international financial organizations have already been established in Pudong. In addition, Shanghai has the largest stock exchange in the country.

A modern communications network consisting of an airport, expressway, deepwater seaport and inland navigation facilities will be established in the Pudong area, which will promote coordinated development in the Yangtze River valley, according to the experts.

#### **Shanghai Acts To Reduce Finished Products Stock**

OW3011064891 Shanghai People's Radio Network  
in Mandarin 2300 GMT 28 Nov 91

[By station correspondent Shi Wenjun and reporter Liu Fuquan; from the "Morning News" program]

[Text] Aiming to achieve the municipal target for cutting the stock of finished products of state-run industrial enterprises this year, the municipal Economic Commission recently urged the industrial sector once again to take effective measures to ensure that capital tied down by finished products at the end of the year would be less than that by the end of last June, and that the task of checking the downward trend of economic returns would be fulfilled.

According to statistics compiled by the Shanghai branch of the Industrial and Commercial Bank of China, funds tied down by finished products from state-run industrial enterprises that have accounts in the branch amounted to 6.416 billion yuan by the end of October, an increase of 126 million yuan over that at the end of September.

Statistics show that some units have failed to fulfill predetermined tasks for reducing the amount of capital tied down by finished products. In some other units, such amounts are even increasing every month.

In view of the above situation, the municipal Economic Commission has assigned the competent departments specific, subdivided targets for reducing the stock of finished products and, jointly with the Industrial and Commercial Bank, made a rule—which is already in effect—to take action against those enterprises failing to fulfill their stock cutting task. Such actions include restricting their access to new bank loans and increasing interest rates for their loans by 20 percent.

The municipal Economic Commission has given warning to 35 enterprises in the city that saw an increase in capital tied down by finished products and has taken measures to restrict or stop their production.

#### **Shanghai Company Sells Stocks Internationally**

OW3011142491 Beijing XINHUA in English  
0737 GMT 30 Nov 91

[Text] Shanghai, November 30 (XINHUA)—The Shanghai Vacuum Electronic Component and Cell Company Limited (SVECCC) has received approval to issue one million stocks valued at over 100 million yuan (18.86 million U.S. dollars) on international stock exchanges.

Mao Yingliang, president of the Shanghai Branch of the People's Bank of China, told reporters on Friday that SVECCC became the first company on the Chinese mainland to receive such approval. The move is designed to attract foreign funding for the company which has exhibited growth since it was established in 1986.

Transactions of the 'B' stocks will be handled by the Shanghai Shenyin Securities Company, and 80 percent of the stocks will be sold through three overseas companies in Switzerland, the United States and Hong Kong.

Prior to receiving the approval, SVECCC, a state-owned company, had initiated a successful shareholding system as part of an experiment in economic reform.

By the end of 1989, the company's assets have increased from 200 million yuan to more than 300 million yuan.

The 100 million yuan in stocks will also be sold in Macao and Taiwan.

SVECCC will be transformed into a joint venture company once all the stocks are sold.

### Shanghai Holds Discussion on Development

OW2111111391 Beijing XINHUA in English  
0907 GMT 21 Nov 91

[Text] Shanghai, November 21 (XINHUA)—A massive discussion to involve more than a million people on the strategy for the development of the industrial products of Shanghai in the 1990s began in this China's largest industrial city Wednesday.

Named "strategical massive discussion on the development of Shanghai's industrial products," the movement is the first of its kind in the city's industrial development history.

An official from the economic department of the city told XINHUA that Shanghai's industrial production has experienced great changes since the implementation of the reform and opening policies some ten years ago.

Alone during the Seventh Five-Year Plan (1986-1990) period, the city developed more than 39,000 kinds of new industrial products, and one third of its major products have reached international levels. Other industries, such as television, refrigerator, automobile, communications equipment, computer and micro electronics, have also developed rapidly.

However, the official said, Shanghai's industrial products are now facing severe challenges from both domestic and international markets. Some products are losing their competitiveness, and some have lost their markets.

The massive discussion is aimed at further invigorating state-owned large and medium-sized enterprises especially by introducing new products.

The movement has called the attention of people from all walks of life. Some experts, scholars and department leaders are also preparing to participate in the discussion, which will conclude at the end of the year.

### Zhejiang Standing Committee Session Opens

OW2911020691 Hangzhou Zhejiang People's Radio  
Network in Mandarin 1000 GMT 26 Nov 91

[From the "Provincial News Hookup" program]

[Text] The 25th session of the seventh provincial people's congress standing committee opened in Hangzhou today. Chen Anyu, chairman of the provincial people's congress standing committee, presided over the opening meeting.

This morning's plenary meeting heard a report on the implementation of the provincial budget in the first 10 months of 1991 and on the support for improving large and medium enterprises, made by Song Shaoxiang, director of the provincial finance department, on behalf of the provincial people's government; a report on Zhejiang's water conservancy projects, made by (Chen Shaoyi), director of the provincial department of water resources, on behalf of the provincial people's government; a report on the draft of Regulations of Zhejiang Province for Eugenics and Public Health, made by Cui Bo, vice chairman of the legislative affairs committee of the provincial people's congress standing committee; a report on the draft of Procedures of Zhejiang Province for Protection of Military Installations, made by Yu Kejia, vice chairman of the legislative affairs committee of the provincial people's congress standing committee; and an explanation of the proposal on relaxing the authority of approving requests for using the land in the urban planning zone of the city of Ningbo, made by (Jin Zhengpei), deputy director of the provincial land administrative bureau, on behalf of the provincial people's government.

The agenda also includes such items as hearing and deliberating an explanation on the examination of the draft of Interim Provisions of Zhejiang Province for Investigation and Handling of Illegitimate Competitions, and personnel appointments and removals.

Vice chairmen of the provincial people's congress standing committee present at the meeting were Wu Minda, Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin and Yang Bin. Present at the meeting as non-voting delegates were responsible persons of the departments concerned Chen Yuexing, Hu Canshi, and (Long Anding).

### Session Closes

OW3011121291 Hangzhou Zhejiang People's Radio  
Network in Mandarin 1000 GMT 29 Nov 91

[From the "Provincial News Hookup" program]

[Text] The four-day 25th session of the seventh provincial people's congress standing committee closed this afternoon.

The session deliberated and adopted the provincial people's congress standing committee's decision on approving the readjustment of the provincial budget for 1991. It deliberated and adopted the Procedures of Zhejiang Province for Protection of Military Installations. The procedures will take effect upon promulgation. It also deliberated and adopted the Regulations of Zhejiang Province for Eugenics and Public Health, which will be put in force on 1 June 1992. In addition, the session approved some personnel appointments and removals, including the removal of (Liu Huanzhi) from the post of vice president of the provincial people's higher court and the post of member of the adjudication committee. It also adopted the report on the handling of the proposals made by some deputies to the fourth session of the seventh provincial people's congress.

Vice Chairman Wu Minda presided over the closing meeting. Present at the meeting were Chairman Chen Anyu and Vice Chairmen Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin and Yang Bin. Present at the meeting as non-voting delegates were Chai Songyue, Chen Yuexing, Yuan Fanglie, and Hu Canshi.

#### **Zhejiang's Li Zemin Meets Overseas Chinese**

OW2911054691 Hangzhou ZHEJIANG RIBAO  
in Chinese 21 Nov 91 p 1

[By reporter Feng Feifei (7458 5481 5481)]

[Text] At a small assembly hall of the Shangri-la Hotel in Hangzhou yesterday evening, Li Zemin, secretary of the provincial party committee, cordially met with 45 responsible persons and noted figures of mass organizations of overseas Chinese of Zhejiang origin from Hong Kong, France, Spain, Italy, the Netherlands, Thailand, Japan, and the United States.

The social gathering of responsible persons and noted figures of mass organizations for overseas Chinese of Zhejiang origin was jointly sponsored and organized by the Ningbo Townsmen's Association of Hong Kong, Ningbo-Hong Kong Friendship Association, Shaoxing Townsmen's Association of Hong Kong, and Overseas Exchanges Association of Zhejiang. This gathering is yet another grand occasion where responsible persons and noted members of the mass organizations attended a similar gathering last year.

During the meeting, Li Zemin, on behalf of the provincial party committee and government, extended a warm welcome to the responsible persons and noted figures of mass associations of overseas Chinese of Zhejiang origin who came a long way to attend friendly activities from their hometown. Li Zemin said: Zhejiang Province's development and changes in recent years cannot be separated from the concern and support by overseas

Chinese, foreign citizens of Chinese origin, and compatriots in Hong Kong and Macao, especially responsible persons of various overseas Chinese mass organizations. When the province was struck by especially serious flooding earlier this year, mass organizations of overseas Chinese of Zhejiang origin as well as the vast number of overseas Chinese and compatriots in Hong Kong and Macao enthusiastically offered financial or material assistance and held various activities to raise relief funds for us, fully displaying their compatriotic affection and love for their country and hometown that originates from blood ties. He said: Your return to hometowns and investigative visits to various areas here, as well as the business activities and trade talks you carry out, will further deepen your understanding of home and promote economic development here.

Yang Bin, vice chairman of the standing committee of the provincial people's congress, and Wang Chengxu, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, were present during the meeting.

At the Xizi Guest House in Hangzhou yesterday morning, responsible persons and noted figures of mass organizations of overseas Chinese of Zhejiang origin heard briefings by responsible persons of relevant provincial departments on Zhejiang's economy, trade, and culture.

In the afternoon, the honorable guests visited scenic spots at Xihu Lake and the Xidebao Silk Company in Hangzhou.

#### **Company Introduces One-Child-Family Insurance**

HK2811072391 Beijing CHINA DAILY in English  
28 Nov 91 p 3

[By staff reporter Shi Zai: "Zhejiang Takes Lead in Family Insurance"]

[Text] The insurance company of East China's Zhejiang Province has introduced new policies for "one-child" families in a bid to promote the family planning policy.

Since last year, the Zhejiang Insurance Company (ZIC) has introduced four new policies: old-age insurance for one-child families, life, health-care insurance for the family's only child and special insurance for the staff members working for family planning departments.

"The new policies proved successful among rural families," said Xia Xiaoshu, a division chief from the company.

China's one-child policy is an attempt to curb the fast-increasing population and family planning has been called the State's basic policy. However, many families, especially in rural areas, prefer to have more than one child as this is seen as a natural form of old-age insurance.



The insurance policies were introduced to allay the fears of one-child parents that they would have no one to look after them in their dotage, Xia said.

He said that an old-age pension policy worth 920 yuan (\$173.50) at the age of 30, would result in monthly pension payments of 100 yuan (about \$18.80) a month from the age of 60.

The estate of a policyholder who died at the age of 61 could receive the money for the next 10 years, said Xia.

It was up to individuals to decide the amount of insurance they would buy.

As early as in 1988, the insurance company in Zhejiang's Lanxi City introduced a special old-age pension policy among families with one daughter, and so far 930 such parents have taken out the policy.

Other policies related to the only child, such as the safety and health care policies were also very popular as few medical care is not enjoyed by the rural population.

The parents can pay five yuan a month and, if the annual total medical fees are less than 1,000 yuan (\$185), the insurance company will pay half the medical expenses.

In Jiasang County, more than 85 percent of the one-child families have bought the health care policy.

Xia said some parents regard the safety insurance policy, which starts from the age of one to 15 years, as setting a fund for the child, because the insurance was higher than the bank interest. If the child reaches 15 without having an accident, parents can recover all their premiums.

Xia said more than 713,000 people had bought policies with a total insurance value of 37 million yuan (\$7 million).

It is estimated that by the end of this year more than one million people, or half the province's one-child families, will take out family-planning insurance for a total five million yuan.

Coastal Zhejiang Province has been taking the lead in the country's family planning efforts.

According to the fourth national census figures released last year, the natural population increase rate was 8.74 per 1,000 the lowest among the provinces. The number of babies born in the first nine months of this year was 40,000 less than the same period last year.

### Northeast Region

#### Jilin Holds Forum on Human Rights Situation

SK2911122791 Changchun Jilin People's Radio  
Network in Mandarin 2200 GMT 28 Nov 91

[Text] On 28 November, the provincial nationalities affairs committee held a forum concerning the white paper on China's human rights situation.

Present at the forum were nearly 30 experts and scholars of various nationalities in ethnology, the science of law, and sociology from various universities and colleges, organs, and mass organizations in Changchun.

At the forum, the participants discussed the seventh part of the white paper regarding safeguarding the rights and interests of minority nationalities.

They maintained: The issuance of the white paper on China's human rights situation is a matter of political importance. With the Marxist stand, viewpoint, and method, and with detailed materials and much data, the white paper lets the world know that the people of various nationalities in China fully enjoy human rights under the socialist system, and that the Chinese Government has made gigantic efforts and contributions to promoting the development of human rights. All this effectively denounces the fact that the Western hostile forces and those who advocate bourgeois liberalization distort and attack China's human rights. Thus, the white paper is a declaration of human rights with Chinese characteristics.

Some comrades also stressed in their speeches: The Jilin Provincial party committee and the provincial government have done much work to safeguard the human rights of minority nationalities; successively established an autonomous prefecture, three autonomous counties, and 32 minority townships; developed and promoted more than 97,000 cadres of minority nationalities, accounting for 11.5 percent of the province's total; and helped the minority nationalities and the areas inhabited by the minority nationalities develop [words indistinct] and cultural undertakings. All this has effectively promoted the socialist national relationship with characteristics of unity and mutual assistance.

#### He Zhukang on Rural Economic Development

SK2911074791 Changchun Jilin People's Radio  
Network in Mandarin 1030 GMT 28 Nov 91

[Part 2 of station reporters (Zhao Fengpei) and (Zang Youming) interview with Comrade He Zhukang, secretary of the Jilin Provincial CPC Committee, on agriculture and the rural work; date not given]

[Text] In regard to the issues of persistently deepening reforms, of systematically solving both new and old rural economic development problems, and of positively developing the collective sector of the economy, Comrade He Zhukang pointed out: The fundamental way to eliminate the new contradictions in rural economic development at a time when the old systems are being replaced by the new ones is to deepen reforms. We should continuously stabilize and perfect the system of contracted responsibility on the household basis with payment linked to output, strengthen and improve the system of linking centralized management with decentralized management, positively develop the rural socialized service system, and gradually expand the collective sector of the economy.

He Zhukang said that setting up and perfecting the socialized service system is a requirement for upgrading the overall agricultural production capacity, displaying the advantages of the peasant groups, making structural readjustment, and promoting the development of the commodity economy as well as a central link in deepening the rural reform.

The station reporters learned through the interview that: During the inspections, Comrade He Zhukang fully affirmed Liuhe County's experience in encouraging peasant households to develop breeding and crop industries under the guidance of companies, and Meihokou City's experience in developing the countryside with the support of trade areas.

Comrade He Zhukang said: The agricultural production of our province has reached a proper development stage. To ensure a stable development trend and to realize the second-step strategic objective, we need only take the road of vitalizing agriculture with science and technology and developing modernized agriculture. To readjust the agricultural production structure, and to speed up the pace of shifting the focus of agricultural production onto efficiency, we must not only rely on increasing grain production, but should develop intensive processing and on-the-spot processing industries.

Through the interview, the station reporters knew that Comrade He Zhukang was extremely concerned with the development of the collective economy in the rural areas.

He urged that all localities regard the (?upgrading) of the village-level collective economy as an important task of the grass-roots party organizations, and that the peasants also make efforts to develop and expand the strength of the collective economy.

He Zhukang pointed out: The development of the collective economy will not only help lighten the burden of the peasants but also promote the development of the peasant households and the overall rural economy. Running public and collective welfare undertakings will embody the superiority of the socialist system.

Comrade He Zhukang stressed: In developing the collective sector of the economy, we should proceed from different actual conditions and specific conditions, and avoid acting with undue haste. In particular, we should bring into play the collective economy's function for centralized management in carrying out the system of linking centralized management with decentralized management. The purpose of strengthening the collective sector of the economy is not to weaken or replace the function of decentralized management, but to provide better service for the peasant households in conducting the decentralized management. By developing the collective sector of the economy, we should give full scope to the advantages of both centralized management and decentralized management.

He also stressed: In the course of expanding the strength of the collective economy, we must not encroach on the interests of the peasants. We must not develop and expand the strength of the collective economy by depending on [words indistinct] or simply transferring means of production. We must not take a utilitarian attitude to blindly obtain the natural resources, to damage agricultural ecology, or to weaken the reserve strength for agricultural development.

### He Zhukang on Rural Commodity Development

SK2911023591 Changchun Jilin People's Radio  
Network in Mandarin 1030 GMT 27 Nov 91

[Text] Comrade He Zhukang, secretary of the provincial party committee, was recently interviewed by our station reporters (Zhao Fengpei) and (Zhang Youlin) on how to actively develop the rural commodity economy and to upgrade the level of rural work in an overall way. Comrade He Zhukang spent more than 10 days during the period from late October to early November in visiting more than 70 units and farm households and in carrying out systematic investigation of the rural work. During the interview, he cited his important opinions on agriculture and the rural work in line with his investigation experience, which are: 1) Efforts should be made to correctly estimate the rural situation. 2) Efforts should be made to uphold and deepen reform and to deal with the new contradictions cropping up in rural economic development in a systematic way. 3) Efforts should be made to adopt an active attitude in developing or reinforcing the collective economy. 4) Efforts should be made to enhance education on socialist ideology and to firmly occupy the rural front. 5) Efforts should be made to enhance the construction of rural grassroots-level organizations with party branches as a core. 6) Efforts should be made to vigorously upgrade the quality of cadres and peasants. 7) Efforts should be made to change the leading style and work methods to meet the needs of developing the rural commodity economy.

Fellow listeners: Beginning 27 November, our station will present feature reports on the major contents of Comrade He Zhukang's speech made during an interview conducted by our station reporters. Following is the first part of his speech: During the interview, Comrade He Zhukang stated that efforts should be made to apply the scientific method of Marxism to correctly estimating the current rural situation. He continued that judging from the situation as a whole, the trend of agricultural development and of the development of the rural situation as whole is good. The broad masses of peasants generally support the party's basic policies on rural areas, both the people's feeling and society are stable, and the guiding ideology of developing agriculture in an overall way is being implemented step by step. The overwhelming majority of people are living and working in peace and contentment and fully confident of reaching the target of being better off. Studying sciences and adopting new technologies in rural areas have become common practice. The low quality of peasants and the

shortage of talented personnel in rural areas have changed. The construction of the socialist spiritual civilization in rural areas has achieved new development. Some localities have also formulated their written pledges and the peasants' capability in self restriction and education has been upgraded. The laxity and the lack of unity committed by some grassroots level party organizations have been obviously improved. All in all, the province's agriculture is changing from single planting to agricultural modernization and commercialization and the rural situation is flourishing.

Comrade He Zhukang stated during the interview that the better the prevailing situation the more attention should be paid to discovering problems and studying the methods of solving them. He continued that, judging by the province as a whole, agricultural development in various localities has not been even or sufficiently stable. There are still some peasants who are unable to rid themselves of their poor outlook. Water conservancy works and equipment for agricultural technologies are relatively poor. The work in commodity circulation cannot meet the demands of developing agricultural production and a large number of villages have not established the collective economy. The laxity and the lack of unity committed by a few grass-roots level party organizations have not been handled. Negative and backward phenomena, such as gambling and feudalist and superstitious habits, are still serious. The working style and methods of some cadres are out-dated and there are still some corrupt phenomena and malpractices. If we fail to deal with these problems as soon as possible, it is difficult for us to meet the demands imposed by the rapid development of the rural situation and these problems will certainly restrict the development the rural commodity economy. Leadership at all levels should earnestly study the problems, find ways and means to solve them, and better organize or guide the broad masses of peasants to develop the socialist commodity economy in an overall way.

#### **Sun Weiben Attends Party History Work Conference**

SK2611022191 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 24 Nov 91

[Text] After a three-day session, the Heilongjiang Provincial work conference on party history concluded in the city of Harbin on 24 November. Its aim was to relay the spirit of the national experience-exchange meeting in which the representatives from the departments in charge of party-history work participated and to summarize or exchange experiences gained by the province over the past two years in conducting the party-history work. During the conference, 25 collectives and 63 individuals were commended for outstanding party-history work and the participating personnel also formulated a plan for conducting the party-history work during the Eighth Five-Year Plan period.

Attending the work conference were leading comrades, including Sun Weiben, secretary of the provincial party

committee; Ma Guoliang, deputy secretary of the provincial party committee; and Meng Qingxiang, member of the provincial party standing committee and director of the organizational department under the provincial party committee.

Ma Guoliang addressed the work conference and emphatically pointed out in his speech that studying or publicizing the CPC's history represents an important measure of opposing bourgeois liberalization and resisting peaceful evolution, the need of enhancing party building and nurturing or training tens of millions of successors for the socialist undertakings, and has an important and practical significance and a far-reaching historical significance. The attitude we adopt toward party history constitutes an important matter of principle. We must adopt a scientific and extremely serious attitude toward party history, beat back the ideological trend of bourgeois liberalization and the vilification and distortion launched by hostile forces to the CPC's history, and study or publicize party history justly and forcefully and by taking a clear-cut stand, enhance the people's belief in party and socialist undertakings.

#### **Heilongjiang Takes Narcotics Countermeasures**

SK2711151791 Harbin HEILONGJIANG RIBAO in Chinese 6 Oct p 1

[By Reporter Gong Anting (6300 1344 0080): "Heilongjiang Province Makes Rapid Headway in Banning Narcotics"]

[Text] Heilongjiang Province has made rapid headway and preliminary achievements in banning narcotics. As of 20 September, the province recovered 16,940 grams of narcotics, including opium; cracked down on 1,396 cases of making and trafficking in narcotics; and handled 851 persons.

The local party and government leaders have paid full attention to effective measures for banning narcotics and adopted them. From 15 August to 20 September, Yichun waged a special struggle against the unlawful drug abuse activities, arrested 21 criminals, and recovered 3,250 grams of opium. Songhuajiang Prefecture organized more than 1,000 personnel to conduct investigations and propaganda activities, recovered 6,500 grams of opium, cracked 45 cases of narcotics trafficking, and dealt with 152 people. The city of Mudanjiang organized three work groups and sent them deep to Ningan, Hailin, Linkou, and Muling to examine and supervise the work. As a result, 71 persons who illegally planted opium poppies or made narcotics were investigated and dealt with. Daxinganling Prefecture allocated 19,000 yuan of special funds to ban narcotics, organized more than 1,000 personnel to engage in the work to ban narcotics, and cracked 77 major and special narcotics trafficking cases. Suihua Prefecture adopted the measures of leaders



taking the lead in conducting investigations on a contracted basis; organized groups to conduct investigations, to deal blows to drug users, and to conduct propaganda; and investigated and handled 310 criminals.

#### **Heilongjiang Holds Family Planning Work Forum**

SK2711055891 Harbin HEILONGJIANG RIBAO  
in Chinese 20 Sep 91 p 1

[By Reporter Zhang Ping (1728 5393): "The Heilongjiang Provincial CPC Committee Holds a Family Planning Work Forum"]

[Text] On 19 September, the provincial party committee held a forum to exchange experiences in disseminating and implementing the CPC Central Committee and the State Council's "Decision on strengthening the family planning work and strictly controlling the population growth," and to mark the 11th anniversary of the publication of the CPC Central Committee's open letter on controlling the national population growth rate to all Communist Party members and all Communist Youth League members.

Meng Qingxiang, Standing Committee member of the provincial party committee and director of the organizational department of the provincial party committee, made a speech at the forum. He pointed out: Party organizations at various levels across the province have done a lot of work in controlling the population growth. Thus, the province basically brought the excessively rapid population growth rate under control. In the past 10 years since 1980, the province's birth rate averaged 16.62 per thousand, a drop of 5.21 permillage point from the 10 years before 1980. The family planning rate rose from 53 percent in 1980 to 79 percent in 1990. The one-child rate rose by a large margin while the rate of two children or more was greatly reduced. The natural population growth rate of the province rose from 16.58 per thousand in the 1970's to 11.43 per thousand.

Meng Qingxiang said: The development of the province's family planning work is not even. Some localities were slow in grasping the work. A small number of leading cadres pay attention only to economic work to the neglect of family planning work. Some party-member cadres gave birth to a second child in violation of discipline. All this has had an extremely bad impact on the masses. According to the 1990 statistics, the province investigated and handled 1,855 cases of party members and cadres violating family planning policies. Therefore,

we should firmly eliminate the unhealthy practices of party members and cadres giving birth to a second child in violation of discipline.

Meng Qingxiang urged that party organizations at various levels across the province should actually regard the family planning policy as state policy and firmly attend to it. The vast number of party members and cadres should have a high degree of party spirit and political awareness; guide the masses to carry out the family planning policy; and play an exemplary role in implementing the policy, conducting propaganda among the masses, transforming social traditions, and serving the masses.

Also attending and addressing the forum were provincial leaders Zhang Xiangling, Ji Hua, and Huang Feng, and responsible persons of the provincial family planning association.

#### **Heilongjiang Results in Overcoming Illiteracy**

SK2711015491 Harbin HEILONGJIANG RIBAO  
in Chinese 2 Oct 91 p 1

[Summary] Over the past 10 years, about 1.436 million young and middle-aged people in the province have extricated themselves from the category of illiteracy. On 8 September, the United Nations Educational, Scientific, and Cultural Organization gave the honorable prize of wiping out illiteracy to Heilongjiang Province to commend it for its achievements in wiping out illiteracy in line with economic construction and in vigorously spreading popular scientific knowledge in rural areas. By the end of July, the rate of illiteracy among the province's people ranging in age from 15 to 40 dropped from 20 percent in 1981 to 22.6 percent. Now, the province has about 2,000 cadres engaged in wiping out illiteracy, and has some 40,000 full-time and part-time teachers for wiping out illiteracy. In addition, to prevent the people who had extricated themselves from illiteracy from becoming illiterate again, the province has combined the elimination of illiteracy with technological training for peasants. Over the past 10 years, about 85 percent of the people who had extricated themselves from illiteracy have received flexible and varied continuous education courses, and many of them have become experts in becoming prosperous. Since 1988 alone, about 295,000 peasants who had extricated themselves from illiteracy have attended primary school classes in their spare time. They have also attended technical classes, and neighborhood reading teams, thus not only consolidating their reading ability but also learning the skills to become prosperous.

**PRC Asks Cooperation in Nuclear Waste Disposal***OW0212084491 Taipei CNA in English 0748 GMT  
2 Dec 91*

[Text] Taipei, Dec. 2 (CNA)—Mainland China has proposed cooperating with Taiwan in nuclear waste disposal, Chang Chung-chien, chairman of the Taiwan Power Company [Taipower], reported Sunday.

Peking authorities recently made the suggestion to several Taiwan delegates to an international nuclear energy meeting held on the mainland, Chang revealed.

Quoting mainland officials, Chang said both sides of the Taiwan Straits could benefit from the proposed cooperation. Taiwan can provide needed capital, and Mainland China can provide a site for the dump.

Taipower, a state monopoly, constrained by current government policies, has not yet responded to Peking's offer, Chang explained.

The government still bans official contacts with the mainland, Chang said. Moreover, the disposal of radioactive waste involves many sensitive issues. "We must be very cautious in handling the problem," he opined.

Chang disclosed that Taiwan still has several suitable sites for accommodating radioactive waste produced by the island's three nuclear power plants. Taipower has commissioned experts to inspect the potential dumping sites, he added.

Since Sweden is noted for its technology in treating high-level radioactive waste, Chang reported that Taipower has decided to employ Swedish engineers to help work out a long-term plan for nuclear waste disposal.

Taiwan currently stores low-level radioactive waste on Orchid Island, some 80 kilometers (50 miles) east of southeastern Taiwan. It is estimated that the dump will be full within eight years.

The HONGKONG STANDARD reported last week that Taipei and Peking are planning to jointly build a new dump in Guangdong to accommodate nuclear waste from nuclear power plants on both sides of the Taiwan Straits. Taipei's Atomic Energy Council has, however, denied the reports.

**Minister Calls Cross-Strait Investment Risky***OW2911090191 Taipei CNA in English 0810 GMT  
29 Nov 91*

[Text] Taipei, Nov. 29 (CNA)—Cross-strait investment remains highly risky, Economic Affairs Minister Vincent Siew warned Thursday.

Siew's warning came amid reports that the United States has tentatively decided to impose punitive tariffs on selected Mainland Chinese goods to protest against Peking's failure to protect American intellectual property rights.

Quoting U.S. Trade Representative Carla Hills, Siew said American trade authorities are compiling a list of mainland products that may be subject to punitive tariffs in accordance with Section 301 of U.S. Trade Act.

Initial information shows that the mainland goods to be subject to retaliatory tariffs, which might reach 100 percent, are confined to those manufactured by large mainland state-run enterprises, Siew reported.

If that is the case, Siew said, the impact of the proposed U.S. move on Taiwan-invested companies on the mainland might be limited.

Still, Siew cautioned, the incident shows that business prospects in Mainland China are fickle and uncertain and investment there remains risky. "Taiwan businessmen should think twice before launching cross-strait adventures," he urged.

Board of Foreign Trade [BOFT] officials said the possible impact on Taiwan of the proposed U.S. trade retaliation against Mainland China remains to be seen.

"We cannot evaluate the impact until after U.S. authorities announce the list of targeted mainland goods," the officials explained.

Preliminary reports said the Bush administration will impose punitive tariffs on 1.5 billion U.S. dollar worth of mainland goods, with those produced by Peking's state enterprises as the primary targets.

Taiwan investments on the mainland are concentrated in the footwear, textile and toy industries and most of their products are destined for U.S. markets. If these items are included in the list, BOFT officials said, Taiwan investors may be adversely affected.

An article carried in the Hong Kong-based TA KUNG PAO daily blasted the U.S. Government for its decision to retaliate against Peking's infringement upon U.S. intellectual property rights.

The article claimed that the Bush administration made the decision partially out of political considerations. While advising the United States not to mix politics with trade issues, it also urged Peking authorities to accelerate its economic reforms and to open mainland markets wider to foreigners.

**University To Host First Scientist From Mainland***OW2811084391 Taipei CNA in English 0753 GMT  
28 Nov 91*

[Text] Taipei, Nov. 28 (CNA)—Guan Weiyan, the first overseas Mainland Chinese scientist permitted to do research in Taiwan, will arrive in Taipei Nov. 30 to conduct superconductivity research at National Tsing Hua University, the National Science Council (NSC) said Wednesday.

Guan, 63, of Jiangsu, is currently working at the Julich Research Center in Germany. He is the first Mainland

Chinese scientist to work in Taiwan since the government announced its decision in June to recruit outstanding mainland scientists to join research projects here.

### Scientist Arrives in Taipei

OW0212093991 Taipei CNA in English 0815 GMT  
2 Dec 91

[Text] Taipei, Dec. 2 (CNA)—"I hope the doors to cross-straits scientific exchanges can be opened through my visit to Taiwan," Guan Weiyan, the first outstanding mainland Chinese scientist recruited by the National Science Council (NSC), said at Chiang Kai-shek International Airport upon his arrival here from Germany.

Guan, 63, the former president of the University of Science and Technology in Anhui Province, will join a superconductivity research program at the National Tsing Hua University.

Guan told a press conference that "this is my first time to talk freely in Chinese since I left the mainland four years ago and I feel at home upon arrival here."

The mainland physicist said he hopes he can contribute to Taiwan's superconductivity research during his one year appointment here.

Guan was dismissed as university president in 1987 after he became involved in a student pro-democracy movement.

An NSC official said his council will continue to recruit outstanding mainland scientists to do research in Taiwan. So far, more than 30 mainland scientists have expressed a desire to work here. The selection of mainland scientists will depend on the Republic of China's needs, the official explained.

### Punishment for Independence Activists Urged

OW2911090291 Taipei CNA in English 0817 GMT  
29 Nov 91

[Text] Taipei, Nov. 29 (CNA)—The Chinese National Export Enterprises Association urged the government Thursday to punish those who have acted violently to promote their political beliefs.

The association said in a resolution adopted at its annual plenary meeting that a handful of Taiwan independence activists have become increasingly vocal, and some of them have even acted violently to boost their secessionist cause.

Such secessionist rhetoric and actions have not only discouraged private investment here but also posed a potential threat to national security and public well-being, the association warned.

It urged the government to bring to justice those having breached the law by advocating secessionism in order to

maintain social order and stability and to encourage local businessmen to keep their roots in Taiwan.

The association said its members fully support the government's current constitutional reforms and its ambitious six-year National Development Plan. It also pledged firm support for the government's policy of promoting Chinese unification under freedom and democracy in accordance with the steps set forth in the national unification guidelines.

### Executive Yuan Urged To Repeal 'Black List'

OW2911085391 Taipei CNA in English 0756 GMT  
29 Nov 91

[Text] Taipei, Nov. 29 (CNA)—The Legislative Yuan approved a motion Thursday urging the Executive Yuan to tackle the so-called "black list" problem.

Anti-government dissidents have been put on a "persona non grata" list banning them from returning to Taiwan. Lawmakers have long urged the government to reconsider the policy.

The motion, proposed by Tsai Fen-tou and 11 other lawmakers and unanimously approved at a plenary session, said entry into and exit from the country by all Republic of China citizens should not be restricted.

The government should make the so-called "black list" public and explain why those on the list are prohibited from entering the country, the motion counseled.

The National Security Law provides the legal basis for such restrictions, it noted.

If the government can thoroughly implement constitutional provisions regarding freedom of movement, it will be able to win even greater support from Overseas Chinese communities and improve its international image, the motion pointed out.

Deputy speaker Liu Sung-fan, who chaired Thursday's meeting, said the resolution will be forwarded to the Executive Yuan.

He told the press that he hopes the cabinet will deal with the issue early next year.

### New Political Party Founded in Kaohsiung

OW2911084691 Taipei CNA in English 0819 GMT  
29 Nov 91

[Text] Taipei, Nov. 29 (CNA)—Taiwan's 66th political party, the China Labor Party (CLP), has been born Friday.

Headquartered in Kaohsiung, southern Taiwan, the CLP now has 7,000 members, most of whom are road-side sellers. The party is dedicated to the promotion of social justice and the welfare of laborers, party chairman Su Yu-tzu said.



The CLP will concentrate its initial efforts on the Kaohsiung and Pingtung areas, said Su, who will receive Friday a party certificate of registration from the Ministry of the Interior.

### **Kuomintang Leader Stresses Year End Elections**

*OW3011130891 Taipei CNA in English 0827 GMT  
30 Nov 91*

[Text] Taipei, Nov. 30 (CNA)—Chairman Lee Teng-hui of the Kuomintang said Friday that the performance of the ruling party in the year-end National Assembly elections is important to the future of both the country and the party.

Lee told a meeting of high-ranking Kuomintang officials responsible for the election campaigns that constitutional reforms, scheduled for next year, must be carried out successfully in order to lay a solid foundation for national unification and future national development.

The ruling party needs to win at least two thirds of the votes in the elections so that it will be able to play a leading role in constitutional reforms, he said.

The elections will be held on Dec. 21.

### **Kuomintang Against Campaign Irregularities**

*OW0212084191 Taipei CNA in English 0806 GMT  
2 Dec 91*

[Text] Taipei, Dec. 2 (CNA)—The ruling Kuomintang [KMT] said Sunday it strongly supports government plans to crack down on all irregularities during the national assembly campaigns.

Prosecution and investigation authority earlier in the day formed (seven) ad hoc groups across the country to prevent campaign corruption.

Taiwan high court Chief Prosecutor Chen Han, addressing the groups, claimed that the first-ever joint operations by prosecution and investigation officials will help produce a clean election.

"We hope the people's impression of money politics will disappear" after the Dec. 21 national assembly elections, Chen said.

The KMT, welcoming government efforts to crack down on election irregularities, stressed its anti-violence and anti-vote buying campaign strategy.

The party will try to win public support with a legal and clean campaign, based on its previous achievements and future plans for the country, KMT spokesman Chu Chi-ying said.

The KMT candidates themselves will certainly be models of clean electioneering, Chu explained, and he urged the electorate to cooperate with the KMT's efforts.

### **Non-KMT Election Officials Threaten To Resign**

*OW0212095391 Taipei CNA in English 0811 GMT  
2 Dec 91*

[Text] Taipei, Dec. 2 (CNA)—The Central Election Committee (CEC) Sunday dismissed the threats of seven non-Kuomintang [KMT] local government chiefs to resign as chairpersons of local election committees over the campaign literature issue.

"Their resignation would not affect the operations of local election committees, and may even improve things," said a CEC official who requested anonymity.

Six Democratic Progressive Party (DPP) county magistrates and independent Chiayi Mayor Zhang Wenying decided Sunday to go ahead with a DPP proposal that pro-Taiwan independence rhetoric be allowed on election bulletins.

If they cannot implement their decision, they will resign as chairpersons of their county and city election committees, the seven local government chiefs announced.

The six DPP local leaders are Taipei County magistrate Yu Qing, Hsinchu County magistrate Fan Zhenzhong, Ilan County magistrate Yu Xikun, Changhua County magistrate Zhou Qinyu, Kaohsiung County magistrate Yu Chen Yueying, and Pingtung County magistrate Su Zhenzhang.

Interior Minister Wu Boxiong, concurrently chairman of the Central Election Committee, said he will not "communicate with" the seven opposition local government leaders over the matter.

CEC officials said even if the seven resign from their election committee posts, new chairmen can be appointed from among the committee members.

The resignation of the seven will therefore not affect the work of local election committees, they noted.

### **Government Releases First Report on 1947 Riots**

*OW0212084291 Taipei CNA in English 0802 GMT  
2 Dec 91*

[Text] Taipei, Dec. 2 (CNA)—The first detailed report on the "2-28 Incident" was released Sunday by the Taiwan Provincial Government after three years of painstaking information collecting and interviews.

The 700,000-word report, in six chapters, mainly contains interviews with eye witnesses on what happened during the 1947 riot said Chien Yung-tsung, director of the provincial historical research commission, the compiler of the report.

Chien said the book was a breakthrough in studying the incident, during which thousands were reportedly killed. The compilation of the report manifests the government's openness toward the incident, he said.

He said the report would have been more impressive if comments and analysis had accompanied the oral interviews.

### **Foreign Minister Chien on U.S.-PRC Relations**

*OW3011142091 Taipei CNA in English 0812 GMT  
30 Nov 91*

[Text] Taipei, Nov. 30 (CNA)—The United States is not preparing to celebrate the 20th anniversary of the Shanghai Communique next year, in view of the many problems now festering the relations between communist China and the US, Foreign Minister Chien Fu said Friday.

Chien was commenting on reports that the US will celebrate the occasion and even sign a "fourth" communique next year. Washington and Peking have signed three communiqués acknowledging bilateral ties.

He noted that during his recent visit to the US, he had not found any signs the US was preparing to celebrate the event.

The US is strongly dissatisfied with Peking's trade policy, human rights record, and attitude toward nuclear non-proliferation, Chien pointed out.

The US is particularly concerned about the Chinese human rights situation, which has provoked international criticism, the minister said.

He said his personal contacts with US politicians and academics had convinced him that the US does not think the signing of the Shanghai Communique was worth celebrating.

Chien further pointed out that US officials have never proposed "separate sovereignty" for Taiwan and the mainland when discussing the China problem.

US officials might be voicing their strong discontent over Peking's attempts to undermine Taiwan internationally if their remarks are misinterpreted, Chien said.

Chien, returning from a US visit Wednesday, told the press that neither US Secretary of State James Baker nor American Institute in Taiwan Chairman Natale Bellocchi or former American Ambassador to Peking James Lilley had mentioned "separate sovereignty" in their articles or speeches.

Other US officials explained to him that when they had talked about separate sovereignty for Taiwan and the mainland, they were airing their strong dissatisfaction over Peking's efforts to isolate the Republic of China in the international community, Chien added.

### **Editorial Doubts Rebirth of Japanese Militarism**

*OW2911145091 Taipei CNA in English 1411 GMT  
29 Nov 91*

[Text] Taipei, Nov. 29 (CNA)—The following editorial appeared in Friday's EXPRESS NEWS, a daily newspaper published by CENTRAL NEWS AGENCY.

#### **Japanese Militarism?**

Japan's Diet is expected to approve a bill that makes it possible for the Land of the Rising Sun to send troops abroad for the first time since World War Two.

The House of Representatives is set Friday to pass the cabinet-approved plan to send abroad a peace-keeping corps of 2,000 troops from the Ground Self-Defense Force at the invitation of the United Nations. There is no doubt that the House of Councilors will follow suit later.

Some Asian countries seem to worry about the inevitable eventuality that Japanese soldiers will be sent overseas, albeit as a contribution to UN peace-keeping operations. For the last four decades and a half, Asia has been assured of a nonmilitaristic Japan, whose Constitution bans war. Though the Constitution remains intact, many an Asian leader may think, Tokyo is making an end run to sneak troops abroad to create another "Great Asia Co-Prosperity Zone."

The worry is unfounded. There will be no rebirth of militarism in Japan.

As a matter of fact, the Japanese Government is responding to repeated calls by the United States for more contributions to future UN peace-keeping operations. Japan, the world's second richest nation, ought to do more, including the dispatch of a military mission abroad, to help keep peace.

Washington knows better. The United States knows full well that Japan will not turn militaristic. That is why the Americans are urging the Japanese to contribute troops to UN peace-keeping efforts, while reducing their own military presence in Asia.

The Japanese attacked Pearl Harbor 50 years ago. The Americans know there will be no more Pearl Harbors. They know there will be no more "Great Asia Co-Prosperity Zones."

We understand why many Asians are still afraid of the Japanese. They still remember what the Japanese invasion armies did during the Second World War. What Japan has to do is to allay the fear by promoting goodwill among Asian nations.

## Hong Kong

### Jiang Zemin Warns on Legislative Council Role

HK0212014691 Hong Kong SOUTH CHINA  
MORNING POST in English 2 Dec 91 p 1

[By Chris Yeung]

[Text] Chinese Communist Party chief Mr Jiang Zemin has warned that the Legislative Council's [Legco] proposed standing committee system will put the assembly on a collision course with the territory's existing power-brokers.

In another attack, Mr Ji Pengfei, former director of the State Council's Hong Kong and Macao Affairs Office, said even if the new system was in place before 1997, it might not survive the transition to mainland rule.

Mr Jiang said he was concerned the Legislative Council would become too powerful if it adopted a standing committee system.

He made his remarks to a visiting Hong Kong delegation from the One Country Two Systems Economic Research Centre, led by industrialist and former Basic Law drafting committee vice-chairman, Mr Ann Tse-kai.

Mr Jiang is understood to have said that any changes to the Legislative Council must be in line with the Basic Law.

A source said: "He was afraid that the changes would bring about confrontation between Legco and the executive and that the legislature will become too powerful."

Mr Jiang is the most senior Chinese official to attack the proposed standing committee system which has the backing of liberal legislators. His comments are expected to further widen the rift between liberals and conservatives over which committee system to adopt.

The issue is expected to be raised during the three-day meeting of the Sino-British Joint Liaison Group which starts tomorrow.

Although the matter is not expected to be discussed in detail, China is likely to say that any changes to the legislature should not bring about fundamental reforms to the territory's system of government.

British officials are likely to reiterate that they have no intention of introducing major reforms and that the power to formulate policy will remain with the Executive Council.

Legco's plan to introduce a standing committee system has been attacked by the territory's left-wing newspapers in the past two weeks, which claim that it is a UK plot to retain influence in Hong Kong after 1997.

But the Chief Secretary, Sir David Ford, has flatly rejected the claim.

Mr Ji issued his warning in talks to the Hong Kong Chinese Enterprises Association in Beijing at the weekend.

He said: "Some people in Hong Kong have suggested the setting up of a standing committee system in the Legco. This proposal cannot be found in the Basic Law."

"It's a deliberate move to raise new issues. Anything that is not contained in the Basic Law cannot survive after 1997."

At a separate meeting with the business delegation, Mr Ji's successor, Mr Lu Ping reiterated that the post-1997 political system must be "executive-led".

"This stipulation is in line with the interest of Hong Kong people," he added.

"No matter what happens before 1997, we will act in accordance with the Basic Law after that."

Fears that a standing committee system might fundamentally alter Hong Kong's constitutional structure were first raised by Legislative Councillor, Mrs Selina Chow Liang Shuk-ye.

The standing committee proposal, meant to hold officials more accountable, would formalise Legco's existing ad hoc groups, which scrutinise legislation, and Omelco [Office of the members of the Executive and Legislative Councils] panels, which monitor Government policy.

The committees would be permanent groups corresponding to the Government's policy branches and would have legal status.

### Official Says Hong Kong Journalists Broke Rules

HK2811014991 Hong Kong SOUTH CHINA  
MORNING POST in English 28 Nov 91 p 10

[By Chris Yeung and Owen Hughes]

[Text] China has punished two Hong Kong journalists who covered the press conference of dissident Dai Qing in Beijing last week, by barring them from covering the visit of a British minister in the Chinese capital.

Mr Zhang Junsheng, a vice-director of the New China News Agency (NCNA) [XINHUA] in Hong Kong, Beijing's de facto mission, said they had broken mainland rules governing activities of Hong Kong journalists in China.

Chung Sze-mui of Ming Pao and Wong Shau-ying of Metro News were told their applications for covering the visit of Lord Caithness, British Foreign Office minister with special responsibility for Hong Kong, had been turned down.

Mr Zhang said: "A very important rule is that their (earlier) application was to cover that event (Baker's visit.) If you covered things outside that area, you've violated the rules."



He refused to comment on Miss Dai's press conference.

"We hope that reporters can abide by the mainland rules. If not, you'll be in trouble and we'll be in trouble."

Mr Zhang added the NCNA only liaised with mainland departments on the requests of Hong Kong news media, hinting that they should not be blamed.

Although they were given no official reasons, the executive chief editor of Ming Pao, Cheung Kin-bor, said they believed the fact the applications had been turned down was related to their reports of Ms Dai's press conference.

Miss Dai, a journalist with the Guangming Daily, held an impromptu press conference at her Beijing home on November 20 after being held by the newspaper for five days during Mr Baker's visit.

Cheung insisted their reporter did not break the rules.

"The Dai Qing incident occurred because of the visit of Baker. The two were related. It's the duty of a reporter to cover the case of Dai Qing," he said.

"The fact that our request to send another reporter was accepted showed that the ban was not targeted at the newspaper. We don't want to make a big fuss out of it but we have to state our views clearly," he said.

The editor said the incident did not pose a psychological burden on them about news coverage in China.

Chairman of the Hong Kong Journalists' Association Li Yuet-wah said they would protest against the ban in a letter to NCNA director Mr Zhou Nan today.

She said they would also urge Beijing to abolish the seven-article regulations restricting coverage of local news media on the mainland.

Director of Metro Broadcast's Metro News channel Kelly Dean said he would investigate the incident to discover whether it had occurred because Ms Wong had applied too late, or because they had been blacklisted or punished for something done earlier.

Dean pointed out that only this week the NCNA had sent Metro Broadcast an invitation to visit the Daya Bay nuclear power station.

Ms Wong said: "My application went in on Monday afternoon to fly on Wednesday which they said was too late.

"But when Mr Baker went to Beijing the fact I was going was only confirmed the night before. I got my visa 12 hours before leaving for Beijing. They had ample time—it is never too late.

"Within an hour of my application going in for Lord Caithness they called back to say it was too late and that this had come from the Foreign Ministry in Beijing.

#### **Joint Liaison Group Meeting Set for 3-5 Dec**

OW2711115091 Beijing XINHUA in English  
1110 GMT 27 Nov 91

[Text] Hong Kong, November 27 (XINHUA)—The 21st meeting of the Sino-British Joint Liaison Group is scheduled to meet in Hong Kong from December 3 to 5.

This was announced by the Chinese representative office of the Joint Liaison Group here today.

Ambassador Guo Fengmin, senior Chinese representative, will attend the meeting.

Also present at the meeting on the Chinese side will be resident representative Zheng Weirong representative Chen Rongchun, head of the Foreign Affairs Department of XINHUA NEWS AGENCY Hong Kong branch representative Hu Chuanzhong, counsellor in the Hong Kong and Macao Affairs Office under the Chinese Ministry of Foreign Affairs resident representative Liu Junbao and the experts and staff members concerned. [punctuation as received]

#### **Legal Worker Views Court of Final Appeal Issue**

HK2711103791 Hong Kong WEN WEI PO  
in Chinese 11 Nov 91 p 11

[By Wu Jianfan (0702 1696 3879)]

[Text] After the 20th Meeting of the Sino-British Joint Liaison Group announced that a principled agreement had been reached over the establishment of the Court of Final Appeal of Hong Kong, the Law Society of Hong Kong and the Bar Association issued a statement criticizing the agreement for conflicting with the Sino-British Joint Declaration and the Basic Law and stating that it was unacceptable. As soon as the statement was issued, it immediately drew the attention of people from all sectors and became a hot topic in Hong Kong's media. As a mainland legal worker who once participated in the drafting of the Basic Law, I would like to share my personal unseasoned views on some of the questions in the dispute.

#### **I. The Quota for Overseas Judges Specified by the Principled Agreement Fully Conforms to the Spirit of the Joint Declaration and the Basic Law**

The criticism of the principled agreement by some people in Hong Kong has put one question to us: How should we interpret the provision in the Joint Declaration and the Basic Law regarding the invitation of overseas judges to sit on the Court of Final Appeal? Only after we have clarified the question will it be possible for us to correctly determine the rights and wrongs of the quota dispute.

Paragraph Three of Annex One to the Joint Declaration and Article 82 of the Basic Law provide that: "The Court of Final Appeal may, as required, invite judges from other common law jurisdictions to sit on the Court of Final Appeal."

First, we should see that the article has only made a principled provision regarding the invitation of judges from other common law jurisdictions, or overseas judges, as they are commonly called, to sit on the Court of Final Appeal. This provision has two important points:

1. The Court of Final Appeal may invite overseas judges to sit on the Court of Final Appeal. The provision uses the word "may," which shows that such invitation is not a must. Therefore, it also includes the sense that they may not be invited. The article confers on the Court of Final Appeal through this provision the power to consider whether or not it will invite overseas judges.

2. The Court of Final Appeal should, as required, invite overseas judges to sit on the Court of Final Appeal. The article (this provision) specifies a necessary condition for the Court of Final Appeal regarding the invitation of overseas judges, that is, when they are definitely required. If they are not required, there is no need to invite them.

The article does not specify questions relating to how many overseas judges are to be invited, how to invite them, what qualifications they should possess, how to select them, and what are their salaries and benefits. It is unnecessary and impossible for the Joint Declaration and the Basic Law to specify all this. How can the question of how many judges should be invited be discussed when the structural scale of the Court of Final Appeal and the number of its judges have not yet been fixed? Therefore, the article has only made principled specifications for these questions and leaves them unresolved until the Court of Final Appeal is established. The fact that the principled agreement specifies the number of overseas judges does not conflict with the Joint Declaration or the Basic Law. Rather, we should say, it meets the demands of these two documents.

There can be, of course, various sorts of specifications for the number of overseas judges. We can fix their number or not to. That the principled agreement fixes the number only to one person is not merely in keeping with the article mentioned earlier but also with the basic principles and spirit of the Joint Declaration and the Basic Law. It is a provision made in light of Hong Kong's actual situation and after detailed and careful study.

The most fundamental principle of the Joint Declaration and the Basic Law is that China is to resume sovereignty over Hong Kong. Resumption of sovereignty over Hong Kong is not empty talk. It reflects both that the Hong Kong Special Administrative Region [SAR] is placed directly under the administration of the central people's government and moreover that administrative powers over the Hong Kong SAR, including administrative and management powers as well as legislative and judicial powers, should be exercised by the Chinese who make up 98 percent of the population of Hong Kong. The Joint Declaration and the Basic Law allow permanent residents of foreign nationalities in Hong Kong to be judges

in the courts at all levels of the Hong Kong SAR. They also allow, as required, the Court of Final Appeal to invite overseas judges to sit on it. They are extremely flexible with respect to the appointment of judges in the Hong Kong SAR and are in line with the "one country, two systems" principle and have taken into consideration Hong Kong's history and its present situation, for the sake of maintaining Hong Kong's stability and prosperity. However, there must be a limit to flexibility which must not be so high as to discard the principle. Therefore, permanent residents of foreign nationalities in Hong Kong can be judges in courts at all levels, whereas the chief judges in the Court of Final Appeal and in high courts must be Chinese citizens who are permanent residents in Hong Kong SAR and who do not have the right of abode in a foreign country. In other words, the power of leadership in the courts at these two levels must be vested in the hands of Chinese citizens. Overseas judges can be invited to sit on the Court of Final Appeal, while this Court must consist mainly of Hong Kong's local judges. Overseas judges must not play a leading role.

Perhaps some people would say: The Court of Final Appeal consists of five judges. Only when three of them are Hong Kong's local judges will it be enough to reflect the spirit of using mainly local judges. Why can there not be two overseas judges, instead of only one?

On the surface, it does not seem to make much difference whether there is one overseas judge or two in the Court of Final Appeal, since they are still in the minority. But, if we consider this in light of the actual situation of Hong Kong's local judges, we will easily find that the difference can be very great. Hong Kong's local judges are not all Chinese, as they also include overseas judges who have the right of abode in Hong Kong. Judging from the current situation, judges of foreign nationalities will probably continue to account for a fairly large portion in all the judges of the future Hong Kong SAR. If two overseas judges are invited and if we add only one Hong Kong local judge of foreign nationality, it will follow that judges of foreign nationalities will become the majority in the Court of Final Appeal consisting of five judges. If so, after China has resumed sovereignty over Hong Kong, the Court of Final Appeal of the Hong Kong SAR will be dominated by judges of foreign nationalities, as it is now. This will be out of keeping with the principle of "Hong Kong people governing Hong Kong."

We can consider the question a little deeper. The Joint Declaration and the Basic Law have only specified a large scope for invited overseas judges, namely "other common law jurisdictions." Since many countries are within this scope, we can see that overseas judges will probably come from different countries. Likewise, local judges of foreign nationalities can be of different nationalities. In the Court of Final Appeal, where judges of foreign nationalities are the majority and where these judges are of different nationalities, the question becomes more complicated, because such a court will have an international flavor. The Hong Kong SAR is a

local administrative district of the PRC rather than an internationally-governed area. Although the abovementioned court is not necessarily an internationalized one, it still conflicts with the principle of "Hong Kong people governing Hong Kong."

The basic principles and policies for Hong Kong and its specific explanations stated in the Joint Declaration by the Chinese Government are a complete whole. The Basic Law is also a complete whole and one article is mutually linked with another, while articles with special aims guide all other articles. In order to interpret an article, it is necessary not only to clarify its meaning, whether through its wording or content, but also to carry out careful study in light of related articles, especially those with special aims. Only by so doing can we have a correct understanding. It is taboo in law interpretation that one emphasizes a particular article in a legal document and interprets its literal meaning without noticing other articles. This practice often leads to misunderstanding of law or even misinterpretation. I think this is the reason why those friends from the Bar Association and the Law Society of Hong Kong insist on saying that the principled agreement conflicts with the Joint Declaration and the Basic Law.

## **II. Establishment of the Court of Final Appeal Is Within the Scope of Functions of the Central Authorities**

The dispute over whether or not the principled agreement conflicts with the Joint Declaration and the Basic Law also involves the question of who has the power to establish the Court of Final Appeal. This question is linked with whether or not the Sino-British Joint Liaison Group has the power to make arrangements for the establishment of the Court of Final Appeal in Hong Kong and whether or not its arrangements will be effective. This matter should be carefully discussed.

The power of final adjudication is an autonomous power conferred on the Hong Kong SAR by the National People's Congress [NPC] through the Basic Law. Establishment of the Court of Final Appeal and confirming its structure, functions, and powers is inseparably linked with the conferring of this autonomous power and should be, of course, specified by the power conferrer, namely the NPC. The political system of the Hong Kong SAR, including the position and functions of its executive chief, and the structure, functions, and powers of the executive and legislative organs, is decided by the NPC through the Basic Law. How can it be that the central authorities do not care about the establishment, structure, functions, and powers of the Court of Final Appeal, which is the supreme judicial organ of the Hong Kong SAR? The fact that the Basic Law makes no provisions in this regard does not rule out the possibility that the NPC will formulate special laws to specify it at a time it deems appropriate. Some people say that the phrase "courts at all levels" in Article 83 of the Basic Law, which says "the structure, powers, and functions of the courts of the Hong Kong SAR at all levels shall be prescribed by law,"

should of course include the Court of Final Appeal, while the law mentioned in the article refers to the law of the Hong Kong SAR. Therefore, they argue, according to the Basic Law, the structure, functions, and powers of the Court of Final Appeal should be specified by the legislature of the Hong Kong SAR.

It is a misunderstanding of Article 83. Article 83 only has "specified by the law" rather than "specified by the Hong Kong SAR through legislation." We know that the law to be practiced in the Hong Kong SAR has been clearly defined in paragraph one of Article 18 of the Basic Law. The law refers to the Basic Law, the laws previously in force in Hong Kong, and the laws enacted by the legislature of the Hong Kong SAR. Since paragraph two of Article 18 of the Basic Law provides that national laws shall not be applied to the Hong Kong SAR except for those listed in Annex III to the Basic Law and since paragraph three of the same article provides that the Standing Committee of the NPC may make additions to or deletions from the list of laws in Annex III after consulting its committee for the Basic Law and the Hong Kong SAR, the laws to be practiced in the Hong Kong SAR also include those listed in Annex III to the Basic Law and the national laws that the NPC Standing Committee decides to add. Now that the laws to be practiced in the Hong Kong SAR include many types of laws, how can one draw the conclusion from Article 83 that the structure, functions, and powers of the Court of Final Appeal should be specified by the legislature of the Hong Kong SAR? After the NPC Standing Committee has made provisions for the structure, functions, and powers of the Court of Final Appeal, there must also be a series of specific laws to implement the NPC's specifications. It is, of course, the responsibility of the legislature of the Hong Kong SAR to make these specific laws.

Some people say if we establish the Court of Final Appeal during the transition period, the Court, which is a component of the judicial system previously in practice in Hong Kong according to paragraph two of Article 81 of the Basic Law, should be maintained after 1997, even if the Chinese side does not agree.

I think this is an incorrect view. Paragraph two of Article 81 says: "The judicial system previously in practice in Hong Kong shall be maintained except for those changes consequent upon the establishment of the Court of Final Appeal of the Hong Kong SAR." Please pay attention to the word except for. What are the changes consequent to the establishment of the Court of Final Appeal of the Hong Kong SAR? They are first the newly-established Court of Final Appeal itself and second changes made in the judicial system previously in practice in Hong Kong for the sake of establishing the Court of Final Appeal. The article says with very clear wording that those changes shall not be maintained.

As far as the legal principle is concerned, the article should also be interpreted in the way mentioned above. Whether at the time of the signing of the Joint Declaration or at the time of the formulation of the Basic Law,



Hong Kong will have no Court of Final Appeal, as this Court will be established later. How can the Joint Declaration and the Basic Law shoulder the obligation of maintaining the Court of Final Appeal which is nonexistent at that time?

Therefore, it is obvious that except with the approval of the Chinese Government, the Court of Final Appeal established during the transition period will not be automatically maintained in 1997.

### III. Expediting the Training of Local Judges Is an Immediate Task

A view has now gained popularity in Hong Kong: Hong Kong is short of judges, especially high-caliber and world famous ones. When the power of final adjudication is transferred to Hong Kong, it is necessary to invite more outstanding overseas judges to sit on the Court of Final Appeal if we want to maintain the original judicial level and international fame of the Judicial Committee of the British Privy Council. We should not rigidly fix their number. If we do, it will be difficult to bring into play the role of overseas judges. Although this view is not totally unreasonable, it is difficult for people to admit that it is correct.

First, we should point out that Hong Kong is not generally short of judges, but of Chinese judges. Since China will resume sovereignty over Hong Kong in 1997, the courts of the Hong Kong SAR as well as its executive and legislative organs must implement the principle of "Hong Kong people ruling Hong Kong." Then it must not be that overseas judges dominate everything, as it is now. Therefore, the shortage of Chinese judges arises during the transition period. Obviously this problem cannot be resolved by inviting overseas judges to the courts.

Second, since the power of final adjudication has always been vested in London and since Hong Kong has never exercised it, when the power of final adjudication is transferred to Hong Kong, the newly established Court of Final Appeal will probably be weak in capability and will probably encounter various sorts of problems with which local judges will not be very conversant. Therefore, they need help. In these circumstances, asking for help from abroad is not an impractical policy. It is precisely because of this that the Joint Declaration and Basic Law specify that the Court of Final Appeal may, as required, invite overseas judges to sit on it. However, it is not that we can freely use this method without reservation, as some people imagine. Inviting overseas judges to sit on the Court is different from inviting overseas scholars to lecture in a university or inviting overseas experts to work in a factory. We invite overseas scholars or experts to work in our country because we want them to impart their knowledge or experience to us. In this case, we can, of course, invite as many of them as we want. We invite overseas judges to sit on the court mainly because we want them to exercise the jurisdiction rather than imparting knowledge or experience. We

know that jurisdiction is the judicial power which, when coupled with the executive and legislative powers, constitutes the three powers. The duty of a judge is to exercise the jurisdiction on behalf of his country and therefore he has the power of life and death over the people and over the disposal of their property. All countries around the world place strict limitations on the nationalities of judges. To qualify as a judge, a person must be a citizen of the country and no foreigners are qualified. In Britain, even a justice of the peace must be a citizen of the United Kingdom, let alone a judge. As far as the reason is concerned, this should be so, because how can a foreigner exercise such an important power on behalf of the country concerned? We do not demand judges in the courts of Hong Kong act on behalf of the country when the Hong Kong SAR is implementing "one country, two systems." Nevertheless, it is essential that they act on behalf of the Hong Kong SAR. If overseas judges are only the minority in the Court of Final Appeal, it is all right for us to say that the Court of Final Appeal as a whole acts on behalf of the Hong Kong SAR. But it will be difficult to say so, if overseas judges are the majority in the Court of Final Appeal. Therefore, we must not dispense with limitations over the number of overseas judges we are to invite as we do not do so when inviting overseas scholars and experts.

The fundamental solution to the shortage of Hong Kong judges is to expedite training Hong Kong's local judges. And in training local judges, we should focus on training Chinese judges. Qualified personnel come from training. Hong Kong has all sorts of qualified personnel in all trades and professions, why is it that only the judicial professions are short of qualified personnel? What is worth reviewing is how well we have done in training judges in the past. Just less than six years are now left of the transition period, and there is not enough time. Moreover, it takes a comparatively long period of time to train judges. I think the most immediate task to do now is to expedite their training.

### Professional Bodies Oppose Court

HK2711061291 Hong Kong SOUTH CHINA  
MORNING POST in English 27 Nov 91 p 8

[By Jennifer Cooke and Lorna Wong]

[Text] The union of Hong Kong's seven professional bodies with both strands of the legal profession opposing the composition and flexibility of the Court of Final Appeal is a voice the Legislative Council [Legco] cannot ignore, according to the Law Society.

Its president, Mr Donald Yap, said last night that the court's structure was the most important issue facing the law in Hong Kong and it was reassuring that professionals from other fields agreed.

The Institute of Architects, Institution of Engineers, Medical Association, Society of Accountants, Institute of

Surveyors, Institute of Planners and Dental Association yesterday issued a joint statement with the Bar Association and the Law Society.

It said the court should be set up at an early date, by 1993 if possible, as an early establishment would be important for the future confidence of Hong Kong.

The nine organisations also backed the position taken by the legal profession that the composition and method of appointment to the court should be given "flexibility" to allow the court "to invite as many or as few judges from other common-law jurisdictions to sit in each case as required".

"The Court of Final Appeal established in this way should set the model for the post-1997 Court of Final Appeal," the joint statement said.

The Legislative Councillor representing the legal constituency, Mr Simon Ip Sik-on, said next Wednesday's scheduled motion debate on the Court of Final Appeal was "the best time" for it.

This is despite it coinciding with the second day of the latest Joint Liaison Group [JLG] meeting.

As motions were already fully booked until February and he would not have been ready to put forward his proposal in time for today's council sitting, next Wednesday was convenient.

And although he admitted discussing the Court of Final Appeal constitution with the Chief Justice, Sir Ti Liang Yang, soon after the JLG announcement in September, he said their conversation was confidential.

"I am not sure what his position is now. You will have to ask him," Mr Ip said.

The non-provocative wording of his motion was deliberate, he said, more in the mild-mannered approach of a new boy in Legco, and stronger language was not necessary.

"I simply want our (Legco members') views to be on the record," he said.

Having had only one in-house meeting on the topic, of which the minutes were "quite brief and didn't set out all the reasons or the arguments" the motion debate was a chance for councillors to publicly express their views.

Those views could either be taken on board by the JLG, which would continue to meet after the debate, or be ignored, Mr Ip said.

## Macao

### Anticorruption High Commissioner Installed

HK2911032791 Hong Kong THE STANDARD  
in English 29 Nov 91 p A-6

[By Harald Bruning]

[Text] Macao's first high commissioner against corruption and administrative illegality was installed yesterday.

The anti-graft high commissioner, Jorge Seia, 55, hired from Portugal, was sworn in by the governor, General Rocha Vieira, at a ceremony held at the government palace, in the presence of high ranking government officials and Chinese community leaders.

Governor Rocha said the new post was "a guarantee that Europe's judicial culture is deepening in Macao".

The newly installed high commissioner, a former criminal investigation inspector and High Court judge from Porto in northern Portugal, said he was fight for the "elimination of immoral or faulty administrative acts".

He also pointed out that his post had sufficient authority to "control the efficiency and transparency" of the 14,000 strong Macao civil service.

Mr Seia was chosen by the governor after a consultation exercise with the 23-strong Legislative Assembly on the appointment.

Responsibilities include supervision of the enclave's civil service and of banks and of companies under government franchise, like Stanley Ho's casino syndicate.

The appointment suffered a delay in the wake of the resignation of Governor Carlos Melancia over allegations of corruption in September 1990.

Another challenge will be the fight against the enclave's legendary red-tape, considered contributory to corruption.

**END OF**

**FICHE**

**DATE FILMED**

Dec. 3, 1991



